Tejas Networks Ltd.
Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City Phase 1
Hosur Road, Bengaluru 560 100, India
Tel : +91- 80- 4179 4600/700/800
Fax: +91- 80- 2852 0201

May 29, 2023

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
NSE Symbol: TEJASNET

The Secretary
BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 540595

Dear Sir/Madam,

Re: Notice of 23rd Annual General Meeting ('AGM') and Annual Report 2022-23

This is in continuation of our letter dated May 19, 2023.

We would like to inform that the 23rd AGM of the Company is scheduled to be held on Tuesday, June 20, 2023 at 2.30 P.M. (IST) through Video-Conference (VC) or Other Audio Visual Means (OAVM) pursuant to the General Circulars issued by the Ministry of Corporate Affairs and by the Securities and Exchange Board of India.

In this regard please find attached the Notice of the 23rd AGM and the Annual Report for the year ended March 31, 2023. The same is made available on the Company's website at www.tejasnetworks.com/annual-general-meeting.php

Please note that the Notice of the 23rd AGM and the Annual Report will be sent only in electronic mode to the email addresses of the members which are registered with the Company/ Registrar and Share Transfer Agent (RTA) and Depositories. The physical copies of the Notice and the Annual Report will not be sent to the Members.

In compliance with the provisions of Companies Act, 2013, rules framed thereunder and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has fixed the following dates in connection with the 23rd AGM:

Relevant date / Cut-off date to vote on AGM resolutions	June 13, 2023
Book Closure (Register of Members) date for AGM	June 13, 2023 to June 20, 2023 (both days inclusive)
Commencement of e-voting	June 15, 2023 at 9.00 A.M. (IST)
End of e-voting	June 19, 2023 at 5.00 P.M. (IST)
AGM	June 20, 2023 at 2:30 P.M. (IST)

We request you to please take the same on record.

Yours sincerely
For Tejas Networks Limited

RANGACHARI RAVIKRISHNAN
Digitally signed by RANGACHARI RAVIKRISHNAN
Date: 2023.05.29 17:59:02 +05'30'

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

TEJAS®
NETWORKS

ANNUAL REPORT 2022-23

Building Next-Generation Telecom Networks for India and the World

Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

About the Company

WHO WE ARE

Founded in 2000 and headquartered in Bengaluru, Tejas is India's largest R&D-driven telecom equipment company, founded by technocrats, which successfully grew from being a startup to become India's first deep-technology product company to be publicly listed.

WHAT WE DO

We design and manufacture high-performance wireline and wireless networking products for telecom service providers, internet service providers, utilities, defence and government entities in over 75 countries.

OUR VISION

To build a pioneering, innovation-driven, global telecom and networking product company.

OUR MISSION

To innovate leading-edge, yet pragmatic, telecom and networking products that provide the highest value to our customers world-wide.

FINANCIAL YEAR 2022-23 HIGHLIGHTS

Highest Ever Net Revenue of ₹ 920 Crore
YoY growth 67%

Highest Ever Order Book of ₹ 1,934 Crore
YoY growth 65%

Won ₹ 696 Crore Order to Supply IP/MPLS Routers for a Pan-India Network

Added 4G/5G RAN to Complement our Optical and Broadband Products

Snapshot of FY 2022 - 23

Based on Ind AS Consolidated Financial Statements

in ₹ Crore except per share data

Particulars	FY 2023	FY 2022	Change(%)
Financial Performance			
Revenue from operations	919.57	550.59	67%
Gross Profit[1]	239.42	174.00	38%
Operating profit/(loss) after depreciation and amortization[1]	(105.57)	(157.24)	33%
Profit/(loss) before tax	(42.65)	(117.13)	64%
Profit/(loss) after tax	(36.41)	(62.71)	42%
EPS (par value of ₹10 each) : Basic	(2.46)	(5.97)	59%
Diluted	(2.46)	(5.97)	59%

Particulars	FY 2023	FY 2022	Change
Financial Position			
Cash and cash equivalents[2]	1,306.36	1,102.18	204.18
Net working capital[3]	934.59	480.34	454.25
Fixed assets (including assets under development)[4]	544.30	162.90	381.40
Total Assets	3,602.03	2,110.12	1,491.91
Total Equity	2,972.96	1,930.25	1,042.71
Net cash inflow/(outflow) from operations	(380.14)	(17.33)	(362.81)
Free cash inflow/(outflow)	(629.26)	(134.67)	(494.59)
DSO (days)[5]	161	234	(73)
DPO (days)[6]	81	113	(32)
Inventory Days [7]	301	289	12

FY23 includes Saankhya Labs Private Limited and its subsidiaries from July 01, 2022 (for nine months).

(1) Refer note no.32 of consolidated financial statements

(2) Cash and cash equivalents include fixed deposits classified under other bank balances, deposits with financial institutions and investment in mutual funds. Cash and cash equivalents increased on account of receipt of ₹ 837.50 crore and ₹ 1,012.50 crore from Panatone Finvest Limited during the FY22 and FY23 respectively towards subscription of share capital.

(3) Excluding the current assets considered in cash and cash equivalents.

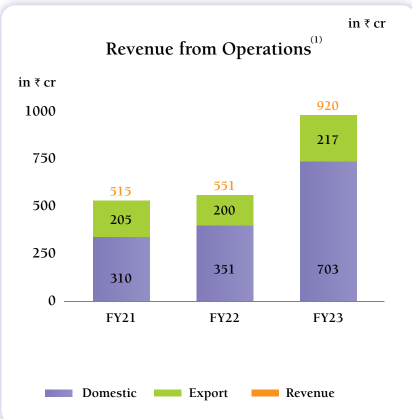
(4) Excluding right of use assets and goodwill and for FY23 includes an amount of ₹ 220.47 crore of technical know-how pursuant to acquisition of controlling interest in Saankhya Labs Private Limited, as part of Purchase Price Allocation (PPA)

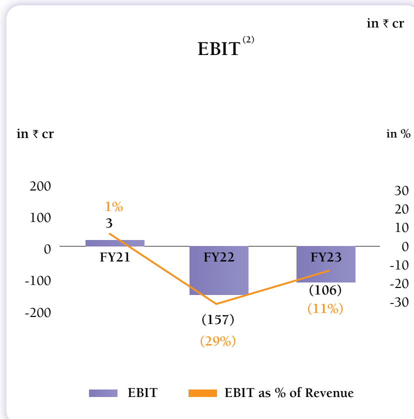
(5) DSO = Average receivables / Revenue from operations*365

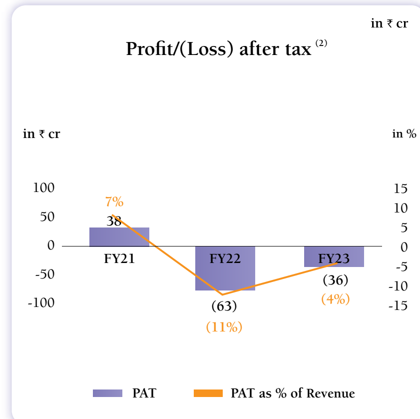
(6) DPO = Average trade payables / Purchases*365

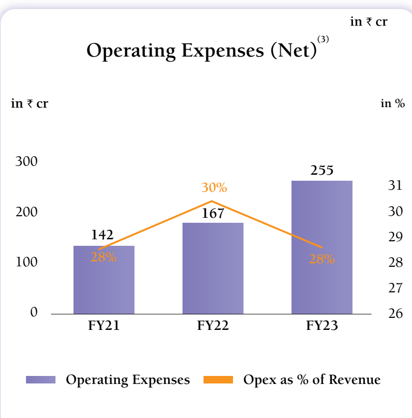
(7) Inventory days = Average inventory / Cost of material consumed*365

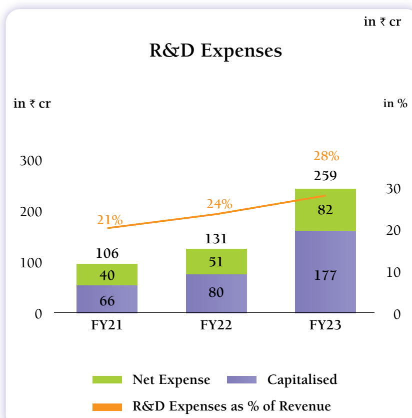
Financial Trends

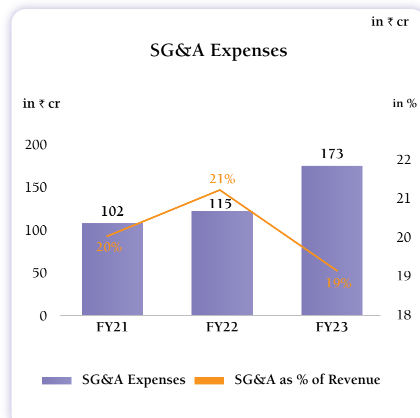


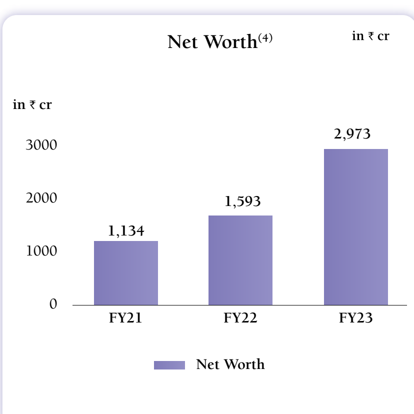


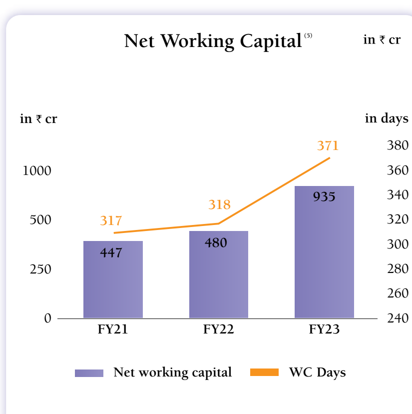


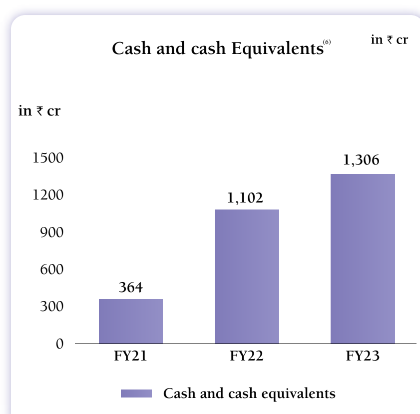












FY23 includes Saankhya Labs Private Limited and its subsidiaries from July 01, 2022 (for nine months).

(1) Revenue for FY21 is net of component sales amounting to ₹ 11.78 crore

(2) Includes the impact of allowance for expected credit loss of ₹ 88 crore for FY22 and reversal of ₹ 33 crore for FY23

(3) Excludes allowance for expected credit loss

(4) Net worth for FY22 excludes ₹ 337.50 crore of money received against share warrants.

(5) Net working capital days = Net working capital (excluding current assets considered in cash and cash equivalents) / Revenue from operations*365

(6) Cash and cash equivalents include fixed deposits classified under other bank balances, deposits with financial institutions and investment in mutual funds. Cash and cash equivalents increased on account of receipt of ₹ 837.50 crore and ₹ 1,012.50 crore from Panatone Finvest Limited during the FY22 and FY23 respectively towards subscription of share capital.

Message from the Chairman

N. GANAPATHY SUBRAMANIAM
Non-Executive Chairman &
Non-Independent Director

Being a global telecom OEM requires deep technology expertise across multiple domains, strong balance sheet, long-term investment outlook and deep customer relationships. I am happy to state that all these ingredients for success are available to your company.

Dear Shareholders,

I am filled with pride as I write this brief letter to you, as your Chairman.

During FY23, we navigated many tough issues on supply chain, continued our investments in the wireless product development that ended the year with good top line growth and a strong order book. Integration of Saankhya Labs with Tejas is progressing well, as we are embarking on a transformation agenda for your company. This transformation would lead to your company becoming a telecom OEM of significance by (a) building reliable and high-performing telecom equipment, (b) the products are differentiated by being software driven and (c) with a strong sense of innovation towards our sustainability goals.

Being a global telecom OEM requires deep technology expertise across multiple domains, strong balance sheet, long-term investment outlook and deep customer relationships. I am happy to state that all these ingredients for success are available to your company. Besides, we need to be moving beyond compliance to standards and establish a strong innovation and research capability to foresee the future and contribute to international standards.

Your company has successfully developed a comprehensive portfolio of end-to-end optical, GPON/XGS-PON and 4G/5G products, which are installed internationally and have won many global awards for innovation. I am pleased to report that your company acted with agility, took supply chain decisions, made changes to our processes and systems to maximize our capacity to deliver and set the platform for future growth. In FY23, your company was declared eligible under the design linked PLI scheme and we have committed to make an investment of ₹ 750 crore over the scheme period.

As you all are aware, we have been conducting trials with Bharat Sanchar Nigam Limited (BSNL) for our 4G/5G Radios. The products have been well tested in a real network landscape for some of the exacting KPIs related to coverage, capacity and experience of a mobile network. We are playing our part as a consortium partner to deliver on the opportunity of powering one of the most modern 4G/5G mobile networks in the country. This will certainly create international opportunities as well which will enable the company to gain global economies of scale to compete effectively in India and abroad. This will no doubt put enormous onus on us – the Tejas team– and we are gearing ourselves to scale our operations along multiple dimensions.

On behalf of the Board of Directors of Tejas Networks, we thank the respective Governments, nodal agencies of India, the Government of Karnataka, and all Government agencies, Governments of various countries where we have business operations. We are grateful to all our customers, employees, shareholders, suppliers, and bankers, for their consistent and tireless support even in the most challenging times.

We are truly excited about our prospects and are confident that as we execute on our strategy, we will continue to deliver positive outcomes for all our stakeholders in the coming years.

Warm regards,

N. Ganapathy Subramaniam
Chairman

Bengaluru
April 21, 2023

From the CEO and MD's Desk

SANJAY NAYAK
CEO & Managing Director

> In FY23 we delivered solid operational performance and closed the year with the highest-ever annual revenues in our history. During the year, we witnessed strong business momentum resulting in an all-time high Order Book of ₹ 1,934 Crore.

Dear Shareholders,

In FY23 we delivered solid operational performance and closed the year with the highest-ever annual revenues in our history. During the year, we witnessed strong business momentum resulting in an all-time high order book of ₹ 1,934 crore. Coupled with a good visibility of new wireline and wireless orders in the pipeline, we expect to significantly accelerate our revenue growth in FY24 and beyond. The summary of our FY23 financial performance, including the consolidated accounts of Saankhya Labs (for nine months), is shown below.

- Net Revenue was at ₹ 919.6 crore; YoY growth of 67%
- Loss After Tax was ₹ 36.4 crore
- Net Working Capital increased to ₹ 935 crore, mainly due to increased inventory levels
- Our Order Book at year-end was ₹ 1,934 crore, mainly driven by optical product wins.

While lead time challenges continue for certain semiconductor components, the company made significant improvements in its supply chain processes to deliver four consecutive quarters of quarter-on-quarter and year-on-year revenue growth during FY23. While continuing with our model of asset-light manufacturing, we significantly expanded our manufacturing capacity by signing up four new EMS (Electronics Manufacturing Services) partners in India, so that we are well geared to successfully execute on our aggressive growth of orders for FY24 and beyond.

The cash position of the company remains strong at ₹ 1,306 crore in cash and cash equivalents with no debt. With our strong balance sheet, we are confident on our ability to execute large orders and scale-up our business over the next few years. In FY23, our company had acquired 64.40% of Saankhya Labs and for the balance 35.60% equity shares we filed for the amalgamation through the National Company Law Tribunal (NCLT) process, which is currently underway.

Technology and Products

Being in the technology business, we continued to maintain our focus on R&D and innovation, to ensure that we invest and build globally competitive products. During the year we invested 28% of our revenues (on fully expensed basis) on R&D, while increasing our R&D headcount by more than 60%. We have significantly expanded our product portfolio, which now consists of optical and packet transport, fiber access (FTTX), as well as wireless (4G/5G/SATCOM) products, which can be used to build an end-to-end telecom network.

During the year, we made significant progress on our wireless program for developing 4G and 5G products. Our focus has been on building world-class RAN (Radio Access Network) products and we are collaborating with other ecosystem partners in India (TCS and C-DOT) to deliver an end-to-end 4G and 5G stack. We now have a diverse range of high-power 4G/5G radio units, operating in multiple frequency bands, supporting both TDD and FDD multiplexing technologies, while delivering advanced features. Tejas is currently one of the few telecom equipment companies in the world to offer both 3GPP and O-RAN compliant products for 5G RAN.

In the wireline segment, we have a very strong end-to-end portfolio of products ranging from access, aggregation to the core which can serve many applications from Gigabits to Terabits speeds. In order to cater to the ever-increasing demand for carrying high-speed data over longer distances, we are enhancing our optical networking products to support long-haul transmission, 1.2 Tbps capacity per wavelength and multi-terabit OTN switching. Similarly, we are upgrading our FTTX products based on GPON/XGS-PON technologies to support 25G and 50G speeds making it ideal for non-residential applications such as enterprise broadband and 5G fronthaul. We are also making significant investments in developing higher-capacity packet switching and routing products based on IP/MPLS technologies with associated software protocols to address the needs of next-generation access, campus and metro networks.

India Business

In FY23, we had strong growth momentum in our India business which contributed 76% of our revenues, compared to 64% in FY22. India-Government business grew 158.2% YoY and contributed 26% of our net revenues of which business from BSNL/BBNL constituted 8% while critical infrastructure business the remaining 18%. Besides winning orders for our optical products, in FY23, we won against top-tier global router vendors and received a large order of ₹ 696 crore from BSNL, for a pan-India IP/MPLS based Access and Aggregation Network (MAAN). This is the single largest order we have received till date in our company's history.

For our wireless 4G RAN equipment, we successfully completed a rigorous Proof-of-Concept (PoC) trial in India and also completed equipment supplies for initial 200 sites, as a part of a large pan-India 4G network. The significant progress we made in field-hardening this complex technology along with our proven manufacturing operations, sets us up in a very strong footing, as we prepare to roll out a global-scale wireless network during FY24.

We continued to witness strong momentum for our wireline products in the critical infrastructure segment, namely, power, railways, oil & gas and defence, that requires a wide range of secured, trusted products.

In FY23, India-Private business contributed 50% of our net revenues with a YoY growth of 79.3%. We continued to supply our GPON and DWDM products to a leading Tier-1 operator and were selected for multi-city enterprise GPON and PTN applications by two leading ISPs in the country. We registered several wins with our system integration partners for our Ethernet/IP switches in video surveillance, smart cities, campus networks, connectivity of banks, and other security-sensitive business verticals.

We expect India business to continue to be a large majority of our revenues over the next 2-3 years. We see a strong capex cycle for telecom equipment, fuelled by ongoing 5G rollouts, increase in fiber-broadband penetration and increased focus by the Government on connectivity in rural areas.

Given the strategic importance of a secure telecom infrastructure, Government of India has a strong focus on achieving “Atmanirbharta” (self-reliance) in telecom equipment - both for wireless as well as wireline segments. In the new global geopolitical situation, there is a large business opportunity for Indian telecom equipment vendors like us to become large exporter of trusted telecom products to the world. Through its proactive policy interventions, Government of India is committed to growing this sector. We expect to benefit from policies such as PMI (Preference to Make in India), Design-linked PLI (Production Linked Incentive), TTDF (Telecom Technology Development Fund) and National Cyber Security Coordinator’s (NCSC) Trusted Sources directives. In FY23, the company has been approved under Government of India’s Design Linked Incentive (DLI) for Telecom and Networking products with an investment commitment of ₹ 750 crore over the scheme period. Besides this, our company and our products have been approved under NCSC’s Trusted Sourcing norms.

International Business

On a YoY basis, international business grew by 8.5% and contributed 24% of our net revenues in FY23 compared to 36% in FY22. Given our manufacturing and delivery challenges due to semiconductor component shortages, we were not in a position to sign-up many new customers and we could not expand our international revenues. However our differentiated offerings such as 100G/200G+ alien wavelengths, micro-OTN with edge grooming, multi-terabit OTN cross-connects and dense circuit emulation continued to gain good traction among our incumbent customer base. One of Africa’s largest Carrier of Carriers has provisioned hundreds of 100G/200G alien wavelengths across the continent using Tejas TJ1600 to upgrade their legacy 10G DWDM infrastructure.

Going forward, we see very strong growth opportunities in the international markets. The recent geopolitical developments have motivated customers to move away from vendors from a certain country, given the security concerns and the need for diversifying their supplier base. This is resulting in large-sized “rip-and-replace” opportunities where we can be a very credible alternative and a source of trusted, reliable, high quality, technically-sound and cost-competitive products. Your company will try and capture this opportunity by leveraging the Tata brand and their deep relationships with large global telecom service providers.

Innovation and Awards

In FY23, we reconfirmed our status as a leading innovator in the telecom industry and were widely recognized for our product and business excellence. As of March 31st 2023, Tejas and Saankhya had cumulatively filed 445 global patent applications and owned a rich portfolio of 330+ semiconductor IPs.

We continued to push significant innovation in our products. Our flagship product, TJ1400 UCB, was selected as the “Broadband Innovation of the Year” at the sixth Mobile Breakthrough Awards in California, USA from over 2700 global nominations. TJ1400 UCB was also recognized as the “Best Made in India Telecom Innovation” at the 2022 India Mobile Congress. TJ1400 UCB is a unique product that converges multiple functions such as 4G/5G RAN, GPON/XGS-PON OLT for fiber-broadband access and MPLS-TP/IP/MPLS based 4G/5G backhaul in a compact shelf.

India’s leading telecom publication, Voice and Data, honoured our contribution to developing and commercializing India’s first indigenous 4G telecom stack by jointly conferring the “Telecom Person of the Year” award to Tejas, TCS, C-DOT and BSNL.

Our People and Community

As an R&D-driven company, hiring and retaining premier technical talent is critical to the company’s long-term success. In FY23, we continued to accelerate hiring across all key functions to support our growth plans. As of March 31st 2023, on a standalone basis, the company had 1305 employees on its rolls which is a 41% increase over the last fiscal. Over 60% of our employees are in R&D with an average industry experience of 8.5 years and nearly 30% have advanced degrees in engineering. In FY22, the company had launched an in-house “Tejas Academy”, a boot-camp based approach to attract and train high-potential young engineers from across the country, which has proven quite effective in meeting our entry-level recruitment needs. In spite of intense competition in the talent market, we continued to attract and retain mid and senior-level persons with requisite skills due to our superior work content and culture, focused professional development programs, attractive performance rewards and growing employer brand in the market.

As an environmentally responsible company, we envision a world where sustainability, equity, innovation, and collaboration intersect to create a cleaner, greener, and more just planet for all. We are committed to taking bold and decisive action to realize this vision and pave the way towards a sustainable future by adopting global best practices in Environmental, Social and Governance (ESG) areas and ensure long-term value creation for all stakeholders. We have plans to use full solar power generation for our manufacturing facility in Bangalore, which will be commissioned during FY24.

Looking Ahead

It was with mixed emotions that I announced my retirement after serving as the company's CEO and MD for over 23 years, since inception. As a co-founder, I have had the privilege of leading the company from a startup to becoming India's first publicly-listed deep-technology telecom products company. I am proud of what we have built as a company, having a rich portfolio of world-class products for the telecom industry and a launchpad for future growth as a part of the Tata Group. I have decided to retire when the company has one of the best year in terms of revenues and order book and we have built a solid foundation for exponential growth. My successor, Anand Athreya, brings a wealth of global experience and strong domain knowledge in telecom and networking areas. Under the guidance of our Chairman, Mr. N.G Subramaniam and Tatas, I am confident that the company is well poised to grow exponentially and become a globally-leading telecom and networking OEM.

Over the years, I have had the privilege of working closely with many investors, Board members and colleagues, who shared my passion and vision to build India's first R&D-driven, global telecom equipment company. I would like to sincerely express my gratitude to all of you, for giving me this exciting opportunity and reposing your confidence in me. I thank each and every one of you for extending your unstinted support to me during this exciting journey of 23 years. I wish our company all success and great times ahead.

With Warm regards,
Sincerely,

Sanjay Nayak
CEO and Managing Director

Bengaluru
April 21, 2023

Board of Directors

N. GANAPATHY SUBRAMANIAM

NON-EXECUTIVE CHAIRMAN & NON-INDEPENDENT DIRECTOR

N. Ganapathy Subramaniam (NGS) is the COO of TCS since February 2017. NGS is also the Chairman of Tata Elxsi. Prior to taking over the COO's role he served as the Executive Vice President and Head of TCS Financial Solutions, a strategic business unit of TCS.

He has held many key leadership positions in TCS across Client Delivery, Business Development, integration of businesses and Product Development. He has been a part of TCS and the Indian IT Industry for the past 38 years. He has played a strategic role in several landmark projects that TCS undertook across geographies. He has in-depth knowledge on technology trends and systems policies of leading corporations. NGS joined TCS in 1982 after completing his Masters in Mathematics from University of Madras and has had the benefit of attending various training programs including the Executive program for Growing Companies at Stanford University.

CHANDRASHEKHAR BHASKAR BHAVE

NON-EXECUTIVE INDEPENDENT DIRECTOR

Chandrashekhar Bhaskar Bhave served as the Chairman of Securities and Exchange Board of India (SEBI), India's capital market regulator, from 2008 to 2011. Prior to this, he was the Chairman and Managing Director of National Securities Depositories Limited, (NSDL) from its inception in 1996 till 2008. He is a 1975 batch Indian Administrative Services (IAS) officer and has worked with the Central and State Governments in various capacities and roles. He has won several awards from the Government of Maharashtra for his outstanding work.

P R RAMESH

NON-EXECUTIVE INDEPENDENT DIRECTOR

P R Ramesh was the Chairman of Deloitte India and has over 40 years of experience. Ramesh also served as a member of Deloitte Global Board and Deloitte Asia Pacific Board. He has served clients in manufacturing, banking and financial services, technology, media, telecommunications, energy and resources and consumer business sectors throughout his professional career.

P R Ramesh has been associated with various Regulatory bodies such as SEBI Committee on Disclosures and Accounting Standards; Committee for Reforming the Regulatory Environment for doing Business in India, set up by Government of India; Technical Committee to review the form and presentation of the Balance Sheet of the Reserve Bank of India; Insurance Regulatory and Development Authority Standing Committee on Accounting Issues and Invitee to the Committee set up by the Reserve Bank of India ('RBI') to assist in convergence to IFRS by banks and National Advisory Committee on Accounting Standards. He has also been member of Accounting Standards Board of ICAI, Vision and Restructuring Committee and Auditing Practices Committee of ICAI and the Secretarial Standards Boards of the Institute of Company Secretaries of India. Ramesh graduated in Commerce from Osmania University, Hyderabad and is a Fellow Member of the Institute of Chartered Accountants of India (ICAI).

PROF. BHASKAR RAMAMURTHI

NON-EXECUTIVE INDEPENDENT DIRECTOR

Prof. Bhaskar Ramamurthi heads the Centre of Excellence in Wireless Technology, located at the IIT-Madras Research Park, which is focused on emerging wireless standards and technologies. He is a holder of several patents related to 4G and 5G technologies and was the national coordinator for the project to build an end-to-end 5G Test Bed. He has served as the Chairman of TSDSI. He is a Fellow of the IEEE and INAE and Hon. Fellow of RWTH Aachen, Germany. He served as Director, IIT Madras during 2011-21.

Bhaskar Ramamurthi graduated with a B.Tech in Electronics from IIT Madras (1980). He secured his M.S. (1982) and Ph.D. (1985) in Electrical Engineering from the University of California at Santa Barbara. After working at AT&T Bell Laboratories for a couple of years, he joined the faculty of his alma mater in 1986. His areas of specialization are Communications and Signal Processing. His body of research is in Wireless Networks, Modulation, Wireless Data, and Audio and Video Compression.

AMUR SWAMINATHAN LAKSHMINARAYANAN

NON-EXECUTIVE & NON-INDEPENDENT DIRECTOR

A S Lakshminarayanan has over 35 years of experience in a broad range of leadership roles across regions and industries. Through the course of his career, he has managed and developed scalable businesses, with deep understanding of the global technology market and enterprises' growing digital needs. Prior to joining Tata Communications, Lakshmi was President and CEO of Tata Consultancy Services Japan, Ltd. where he was in charge of accelerating the company's market opportunity and developing the brand in the region.

Other leadership positions within TCS also include: Global Head of four P&L units (Telecom, Media & Information Services, HiTech and Utilities) that grew to contribute a combined revenue of over $2.4b under his leadership. He had also held the position of Head of UK & Europe where he brought significant growth of the business, resulting in it being recognised as a major IT player locally in the market. Lakshmi has worked in USA, Hong Kong, Australia, UK, Japan and India. He holds a Degree in Mechanical Engineering from BITS, Pilani and is an alumnus of London Business School. He is also a long-standing member of IEEE.

ALICE G VAIDYAN

NON-EXECUTIVE INDEPENDENT DIRECTOR

Alice G Vaidyan, former Chairman and Managing Director of General Insurance Corporation of India and the First Lady CMD in the Indian Insurance industry has over 40 years of experience, and is considered among the foremost experts in the insurance and reinsurance industry, in India and across the globe. She has won several national and international awards. She was the only Indian in Fortune's Global list (2018) of 50 Most Powerful Women in Business.

In April 2019, Alice G Vaidyan was honored with the Freedom of City of London in recognition of her work to promote insurance ties between India and London. She won the ET Prime Woman CEO of The Year award in 2019. Business Today recognized her as one of the 30 most powerful women in Indian business successively in 2016, 2017 and 2018. FORTUNE India announced her as the 4th most powerful woman in Business in 2018 and in 2019. ASSOCHAM honored her with the Leadership Excellence Award in February 2019.

SANJAY NAYAK

CEO & MANAGING DIRECTOR

Sanjay Nayak is the Co-founder, CEO and MD of Tejas Networks. Sanjay has nearly 35 years of industry experience in India and USA. He is a well-regarded thought leader for the telecom and electronics industry as well as India's tech-startup ecosystem. Sanjay has contributed significantly to various Indian government policies and initiatives and has represented the industry as the Chairman, FICCI's Science, Technology & Innovation Council, Co-Chairman of the Telecom Export Promotion Council (TEPC) of India and a member of CII National Committee on Telecom & Broadband and as Chairman of sub-committee on Globally Relevant 5G eco-system. He is the Chairman-Taskforce for Government of India's Telecom Chipset Mission.

Sanjay has received several awards and recognitions, including the "CEO of the Year" from ET Telecom in 2022, "CNBC Awaaz CEO of the Year 2019- Technology", "Technovation Sarabhai Award" from Indian Electronics and Semiconductor Association (IESA), the "Electronics Man of the Year 2011" from ELCINA, "Top-20 Stars of Indian Telecom Industry" by Aegis Graham Bell Awards. Sanjay has been inducted as a Fellow of the Indian National Academy of Engineering (INAE) for his dynamic leadership in building great scientific Institutions which have immensely contributed for the faster development of the country.

Sanjay has an M.S. from North Carolina State University Raleigh (USA) where he has been inducted in the "ECE Hall of Fame" and B.Sc (Engg.) from Birla Institute of Technology Mesra, where he was the Gold Medalist of his class.

ARNOB ROY

EXECUTIVE DIRECTOR & COO

Arnob Roy is the Co-founder, Executive Director and Chief Operating Officer of Tejas Networks. He has over 35 years of experience in research & development, operations and sales in the high-tech industry. Prior to Tejas, he has held senior management positions at Synopsys Inc. and Cadence Design Systems.

Arnob Roy holds a Master's Degree in Science in Computer Science from the University of Nebraska, Lincoln, USA and a Bachelor's Degree in Technology in Electronics and Communication Engineering from the Indian Institute of Technology, Kharagpur.

Our Customers and Products

Tejas Networks designs, develops and manufactures high-performance optical, broadband and wireless networking products that are used by telecom service providers, utilities, government entities and defence networks. We have an extensive portfolio of leading-edge telecom products for building end-to-end communication networks, based on latest technologies and global standards. Tejas products include carrier-grade optical transmission, fiber broadband, fixed and mobile wireless (based on 4G/5G), multi-gigabit Ethernet/IP switching and routing products as well as satellite communication products that are fully designed and made in India. With a focus on deep technology and R&D, Tejas has a rich portfolio of patents and has shipped more than 750,000 systems across the globe.

Our Customers

Telecom Service Providers
Mobile, Fixed Line, Wholesale Bandwidth Providers

Internet Service Providers
Fiber (Home, Business) Cable, Wireless

Critical Infrastructure
Rail, Power, Oil & Gas, Smart City, Defence

Government Networks
Public Sector Telcos and Wholesalers, Rural Broadband, National Knowledge Networks

Our Products

Wireless
4G/5G RAN
SATCOM
Broadcast Radio

Network Management & Monitoring
Network Management
Element Management

Wireline
FTTX
Optical Transport
Switches & Routers

Deployment Locations

Cell Tower
Home
Data Centre
Exchange
Enterprise
Utility PoP

Our Notable Achievements

Tejas has been a pioneering company and has achieved many significant milestones in its journey. Some of them are listed below.

1. Won **30+** Prestigious Awards for Innovation
2. Deployed in **75+** Countries
3. Shipped **>750,000** Systems to **>500** Networks
4. Cumulative Revenue **>₹ 9,000** Crore
   Cumulative Exports **>₹ 3,000** Crore
5. Cumulative R&D investments of **>₹ 1,500** Crore
6. **445** Patents & **330+** Silicon IPs

TEJAS® NETWORKS

Typical Use Cases of our Products

4G/5G Mobile RAN & Backhaul

High performance radios, baseband units & optical xHAUL solutions for 4G & 5G Networks

Products: 4G/5G Radios and Base Station, Ethernet, IP/MPLS, GPON, OTN

Wholesale & Enterprise Data Services

Cost-efficient solutions to upgrade bandwidth in Metro and Core networks

Products: DWDM,OTN, Carrier Ethernet & IP/MPLS

Critical Infrastructure Communications

Seamless network transformation from legacy circuit to packet transport technologies in power, rail, oil & gas, defence sectors

Products: MPLS-TP, IP/MPLS, Carrier Ethernet, DWDM

Residential Broadband

Deliver high-speed broadband connectivity on optical fiber, fixed wireless and copper cables to homes in cities and rural areas

Products: GPON/XGS-PON, PTN, LTE, Ethernet Switches

Our Competitive Edge

Technology Differentiation

Innovative Software-defined Hardware™ for reduced time-to-market

445+ global patents and 330+ silicon IPs

>60% employees in R&D

End-to-end Product Portfolio

Wireline : Optical Transport and FTTx

Wireless : 4G/5G/FWA and Broadcast

SATCOM solutions

Network Management

Financially Strong & Backed by the TATA Group

Innovative Business Model

Asset-light manufacturing using global EMS

Cost-efficient India-based R&D

Lower operating costs compared to our peers

Field Proven and World-Class Quality

Customer presence in 75+ countries

TL9000 certified with consistent 99.999% field uptime

Global top-10 supplier in Optical Aggregation and GPON OLT segments

Innovative Business Model

Leading-edge yet Cost-competitive Telecom Products

India-based R&D

4X R&D productivity compared to global peers by using talented yet low-cost workforce based in India, use of mass-market FPGA devices with ownership of silicon IPR

Asset-light Manufacturing

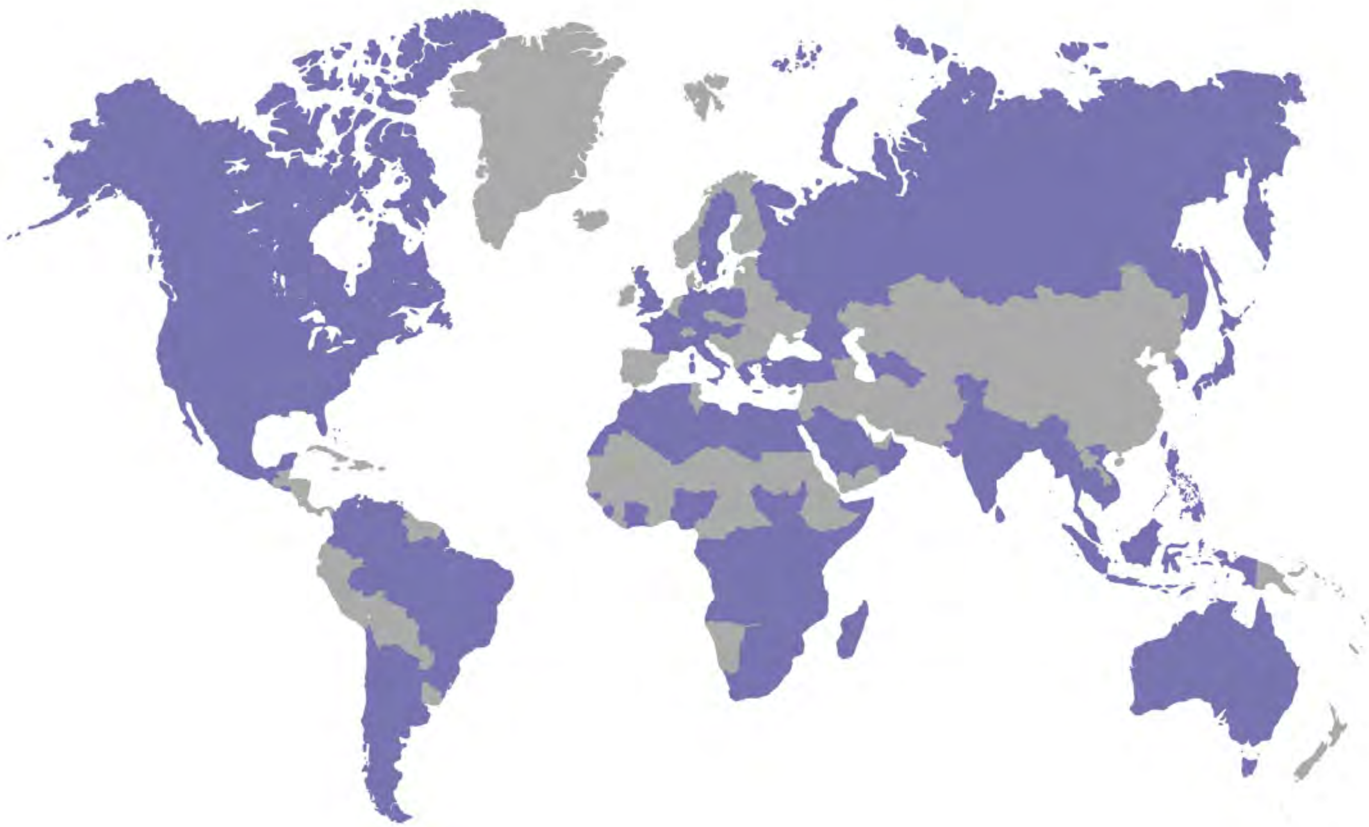
Outsourced manufacturing to domestic and global electronic contract manufacturers (EMS) in India, enabling us to scale-up manufacturing, while making only incremental investments

Low Operations Cost

SG&A and other costs are half of our global peers creating operating efficiency.
Our gross margins are competitive despite lower economies of scale

Superior Operating Leverage

Our Global Presence



Global Customer Success

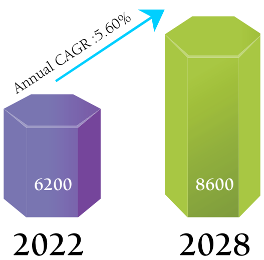
75+
Countries

750,000+
Systems Shipped

500+
Networks

Macro Trends Driving Telecom Investments

4G/5G Mobile Subscribers



in Millions
Growth Factor:1.4x
Source: Ericsson

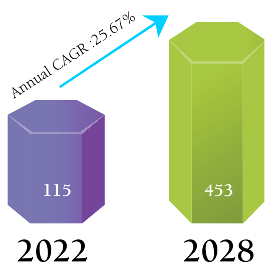
Fiber Broadband Subscribers

in Millions
Growth Factor:1.3x
Source: Omdia

Number of Smartphone Users

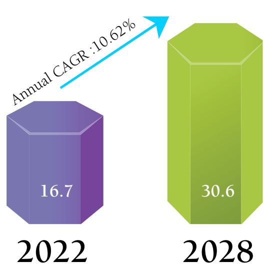
in Billions
Growth Factor:1.2x
Source: Ericsson & Internal Estimates

Cellular Data Traffic



in EB/Month
Growth Factor:3.9x
Source: Ericsson

IoT Connections

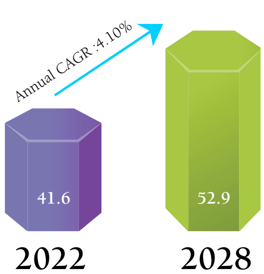


in Billion Units
Growth Factor:1.8x
Source: GSMA

Video Content

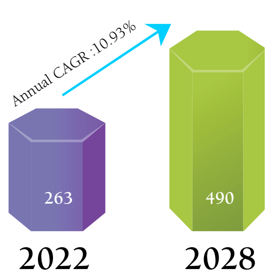
in Exabytes
Growth Factor: 4.9x
Source: ReportLinker

Telecom Tower Investments



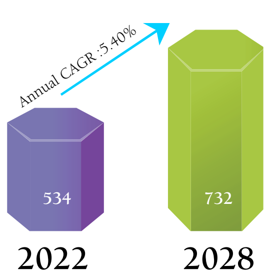
In Billion USD
Growth Factor:1.3x
Source: MarketWatch

Data Center Investments



in Billion USD
Growth Factor: 1.9x
Source: PS Market Research

Fiber Rollout Investments



in Million Route Kilometers
Growth Factor:1.4x
Source: Sterlite

Our Growth Strategy

Create a global-scale, telecom and networking product company from India

Create world-class products for building end-to-end networks

- Continued focus on R&D and Innovation
- Pursue mergers and acquisitions of firms and teams to broaden the product range, technology, intellectual property rights and customer base

Leverage India's large market size to gain economies-of-scale

- Gain market share; new 5 year capex cycle driven by 5G & broadband rollouts.
- Play a pivotal role in India's telecom sector mission of achieving self-reliance (Atmanirbharta)

Expand international business

- Utilize the brand power and customer relationship that TATA Group possesses with global telcos to create synergies
- Expand product offerings and sales efforts to capture greater share of emerging markets.

Build a global-scale operation

- Establish a highly efficient supply chain operation that also capitalizes on India's PLI scheme.
- Develop robust technical support from India to provide excellent pre and post sales services worldwide.

Technology Focus on Large and High-Growth Product Segments

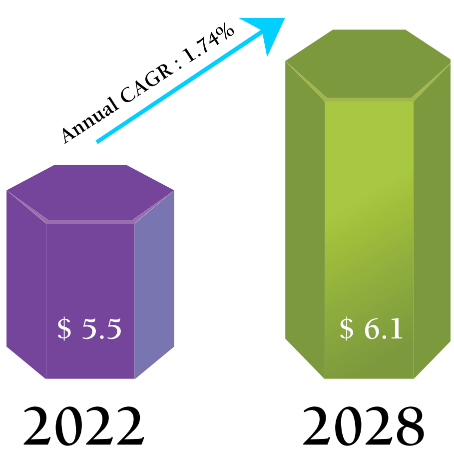
Global WDM Market

in USD (Billion)
Growth Factor : 1.5x
Source : Omdia and Internal Estimates

Global 4G/5G RAN Market

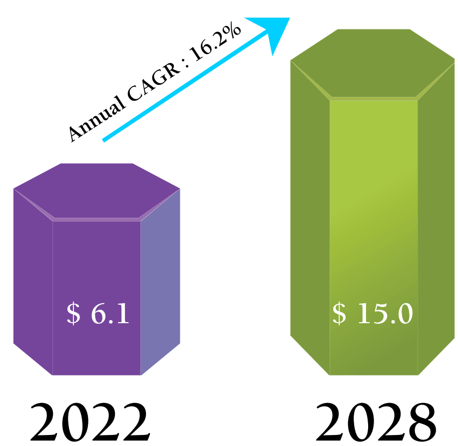
in USD (Billion)
Growth Factor : 1.1x
Source : Gartner, IDC and Internal Estimates

Global PTN Market



in USD (Billion)
Growth Factor : 1.1x
Source : Omdia and Internal Estimates

Global xPON Market



in USD (Billion)
Growth Factor : 2.4x
Source : Omdia

High-potential International Opportunities

Estimated "Rip-and-Replace" Opportunity in US and Europe

$ 8 Billion+

Cumulative Mobile Capex on 5G & Beyond between 2023-'30

$ 300 Billion+

$ 125 Billion

Estimated Government Stimulus Funding for Broadband Worldwide

$ 20 Billion+

Cumulative Investments by Utilities in Optical and Packet Technologies (2023-'27)

Well-positioned to Play a Key Role for *Atmanirbhar Bharat*

Production Linked Incentive (PLI) Scheme

- ₹12,195 crore incentive scheme for local manufacturing of telecom and networking products.
- 4-6% incentive to eligible companies on incremental sales over base year subject to investment thresholds being met.
- Additional incentive of 1% for applicants approved under design-linked PLI scheme.

Tejas approved under Design-linked PLI Scheme with ₹ 750 crore investment commitment over scheme period

Preference to Make in India (PMI)

- Government-mandated public procurement preference to be given to products that are 'Made in India', which are distinguished by the specified minimum percentage of domestic value-addition.
- Mandates suppliers from countries that share a land border with India to be registered with competent authority before bidding on government tenders.

All telecom products being manufactured and sold by Tejas are included in the PMI list.

Government Mandate for Sourcing 'Trusted' Telecom Equipment

- GoI has mandated that all TSPs and ISPs will be allowed to use products from `trusted sources' only.
- Applicable on all new telecom equipment purchase from June 15, 2021.

Tejas products have received Trusted Source certification from NSDTS (National Security Directive on the Telecom Sector)

Chip Design Incentive Scheme

- MeitY has announced the Design Linked Incentive (DLI) Scheme to offset the disabilities in the domestic industry involved in semiconductor design.
- TTDF Scheme aims to support domestic companies involved in technology design, development, commercialization of telecommunication products and solutions.

Saankhya Labs has applied under both schemes for its telecom products and semiconductor chips.

Critical Infrastructure Networks : Taking Success from India Globally

At Tejas Networks, we offer end-to-end network solutions for critical infrastructure companies, from packet to optical transport, wireless to wireline, and TDM to packet. Our solutions can also enable network modernization to next-generation technologies.

Tejas Networks is a leading provider of critical infrastructure network solutions in India. Our presence in key sectors such as Oil & Gas, Power, Railways and Defence reflects our commitment to delivering reliable and secure communication systems for mission critical applications. We have earned the trust of an increasing number of critical infrastructure customers across the globe.

In FY23, Tejas Networks supplied its PTN and WDM equipment for two pan-India, high-capacity optical networks being implemented in power and rail sectors spanning over 100,000 fiber kms. Besides these, our PTN/MPLS-TP products were also selected for network transformation projects by large utilities in South East Asia and North Africa.

Trusted Supplier for Mission-Critical Communication Networks

Our IP/Ethernet switches and GPON/XGS-PON products are being widely deployed in a variety of local/state government networks and industry verticals. Over 15 Smart and Safe Cities in the country use our products to enable a multitude of mission-critical applications such as video surveillance, public Wi-Fi and Industrial IoT. In recent years, our products are seeing strong traction in other security sensitive sectors such as BFSI (banking and financial services), healthcare, infrastructure and hospitality since they fully meet the trusted domestic product requirements. Moreover, our company has been certified as a trusted source by NCSC and has also received approvals under DoT's PLI scheme for telecom and networking products.

Recent India Success Stories

Advanced Routing Products for a State-Owned Telco

A large Indian state-owned telco has chosen Tejas Networks to upgrade its pan-India IP/MPLS-based access and aggregation network. Tejas will supply, install and commission over 13,000 of its TJ1400 series products.

Augmenting Bandwidth in a National DWDM Network

Tejas is executing one of the world's largest alien wave deployments, comprising 150+ channels, in a pan-India DWDM network of a large Indian state-owned telco customer.

Partnering with a Global Top-3 Mobile Operator

A global top-3 mobile operator has been deploying Tejas products in its pan-India network for over a decade. Tejas is supplying its state-of-the-art DWDM/OTN and GPON/XGS-PON products for supporting 5G backhaul, enterprise and broadband applications.

Expanding Backbone Capacity of a Carrier-of-Carrier

India's largest electric power transmission utility has chosen Tejas to augment the capacity of its nationwide backbone and access networks. Tejas is the primary supplier of 100G/200G DWDM, OTN DXC and PTN products for this next-generation network spanning over 70,000 km of optical fiber with hundreds of PoPs (points of presence).

Success in Residential and Enterprise Broadband

One of India's largest provider of Enterprise Data and Voice services has selected Tejas' FTTX products for its access network modernization project. Tejas has shipped over 15,000 GPON ports for this pan-India, enterprise-class network with stringent SLAs.

Recent International Success Stories

Low-latency Optical Transmission Network for Live Video Broadcast across South East Asia

Tejas Networks won a contract to provide end-to-end optical transmission network for one of the largest biennial multi-sport events happening in South-East Asia. Athletes from across 11 countries in ASEAN region participate in this event and all broadcast will be on this network.

Tier-1 Success in a Long-haul DWDM Network in South East Asia

One of the largest telecommunication service providers in South-East Asia has installed Tejas' TJ1600 OTN/DWDM solution in its optical transmission network. The customer is building a large country-wide DWDM network with scope for future expansion.

Pan-Africa 100G/100G+ Alien Wavelength Deployment

A leading global wholesaler that provides capacity to African telcos has been deploying Tejas' longhaul DWDM equipment through the years. The network now spans multiple countries in Africa. The customer has provisioned hundreds of 100G/200G alien wavelengths across the continent using Tejas TJ1600 to upgrade their legacy 10G DWDM infrastructure.

Upgrading Capacity on High-Bandwidth International Links in North America

A leading Mexican telecommunication carrier is deploying Tejas TJ1600 DWDM products in its metro and longhaul networks. This wholesale bandwidth network is used by an end banking customer to transport cross-border data traffic between USA and Mexico

Building an End-to-End, Greenfield Optical Network in Italy

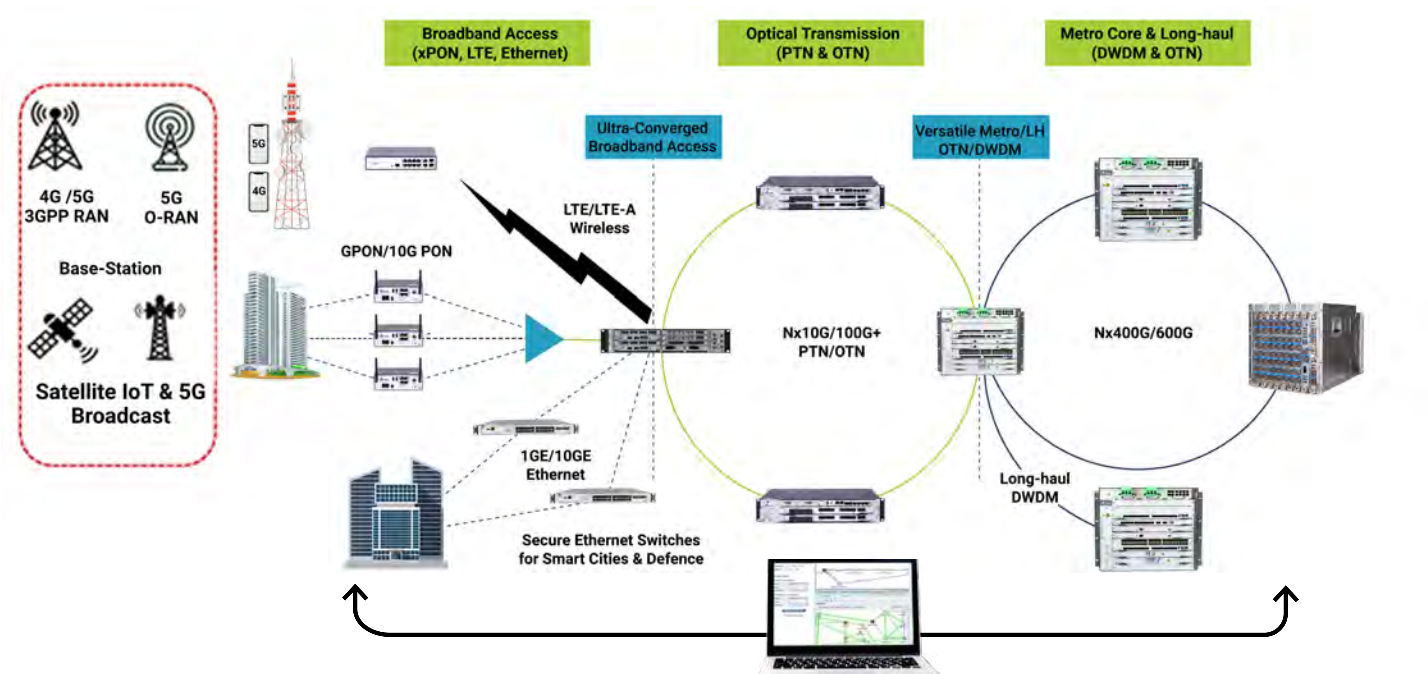
Tejas is supplying its full range of GPON/XGS-PON, PTN/Ethernet, DWDM/OTN and NMS products for building a pan-Italy greenfield wholesale network. The open access network is expected to service over 50,000 small and medium businesses in the country.

End-to-end Products: Optical + Wireless + Satellite

For the past two decades, we have been developing a range of innovative and software-defined products that allow telecom carriers to build cost-effective converged networks. Tejas products include carrier-grade optical transmission (DWDM/OTN), fiber broadband (GPON/XGS-PON), fixed and mobile wireless (based on 4G/5G, 3GPP and O-RAN), Ethernet/IP switching and routing (PTN, IP/MPLS, MPLS-TP) as well as satellite communication products.

Tejas has a full range of products to cater to the rollout of end-to-end high-speed wireline and wireless networks. The products are designed using programmable software-defined hardware™ architecture that can be easily upgraded as per new protocols and technology standards such as 5G and changing customer requirements. Tejas products are simple to operate, flexible to deploy and provide a wide range of services and functionality in a scalable architecture.

Tejas Network Management System (TejNMS) simplifies network deployments and service implementation across all our products. With advanced AI/ML capabilities for predictive fault detection and resolution, web-based graphical user interface for point-and-click provisioning of services, wizards to speed up operational tasks and profiles to automate repetitive parameter settings, TejNMS ensures rapid time-to-service without the need for specialized and expensive skill sets.



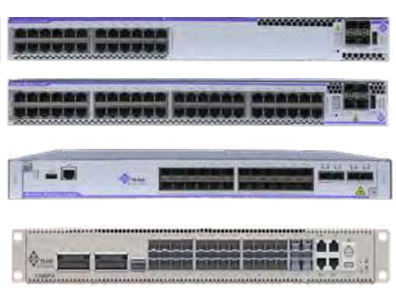
SDN-ready AI/ML enabled
Network Management System

Our World-Class Product Portfolio

Ultra-Converged Access/Edge Products

Metro/Longhaul Optical Transport Products

IP/Ethernet Switch Products



Software Products

(TejNMS, TejEMS, TejCelestia™)

Hyper-Scalable Core Switch

Wireless 4G/5G RAN Products

Multi-Gigabit Fiber Broadband Products

Acquisition of Saankhya Labs: Radio, Satcom, Broadcast and Chip Design Competencies

The proposed amalgamation of Saankhya Labs will expand Tejas' wireless offerings by adding Saankhya's 5G Open RAN (O-RAN), 5G cellular broadcast and satellite communication products, as well as gain semiconductor chip design expertise. This amalgamation is expected to enhance operational, organizational and financial efficiencies, help achieve economies of scale by pooling of resources, drive synergies in revenue, costs and operations, and will help build a stronger base for the future growth of the company.

Leading-Edge Products

Powered by Saankhya's award-winning SDR Chipsets

Direct To Mobile(D2M) Broadcast

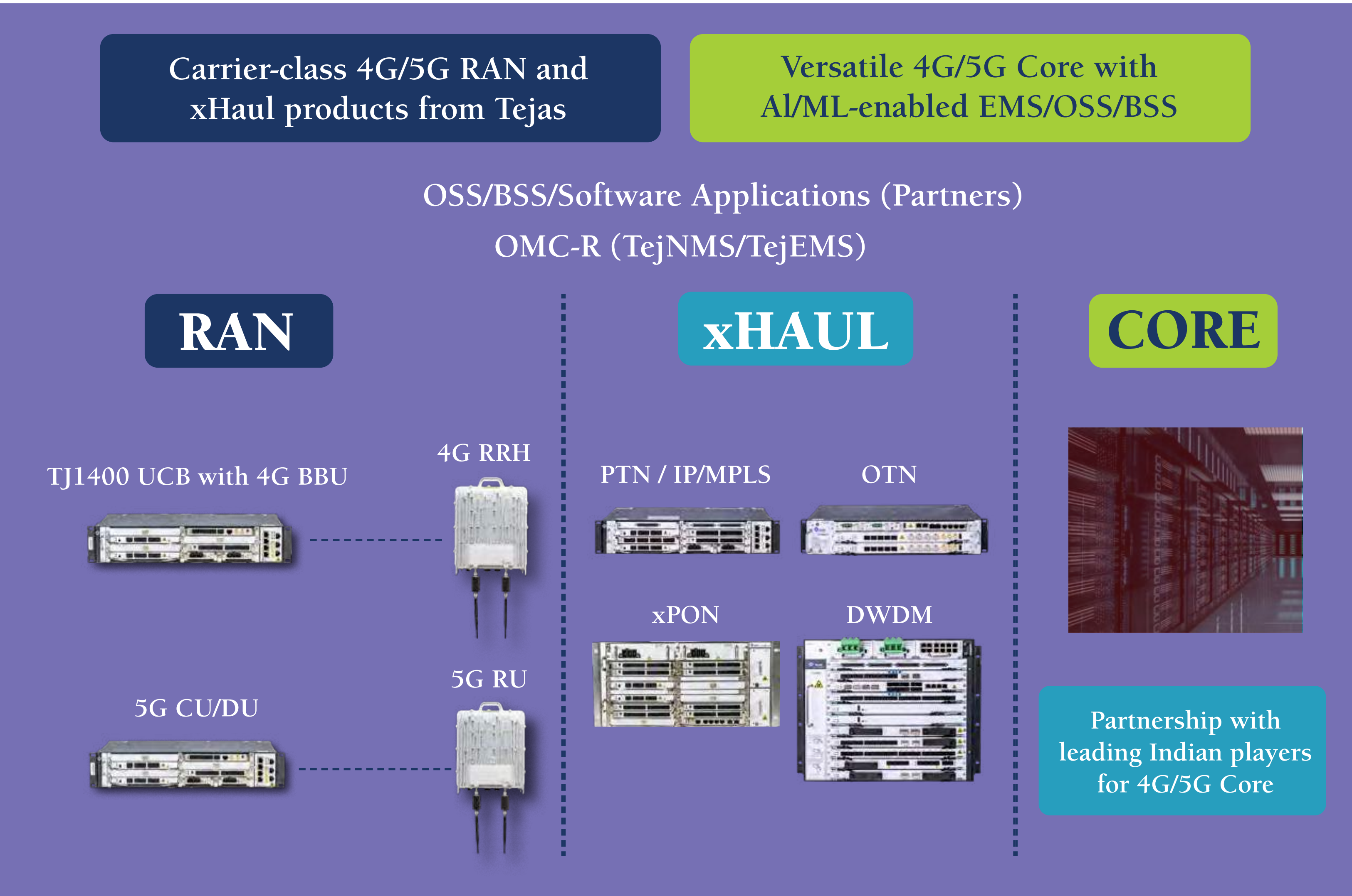
5G O-RAN/vRAN Radios

Satellite IoT Devices

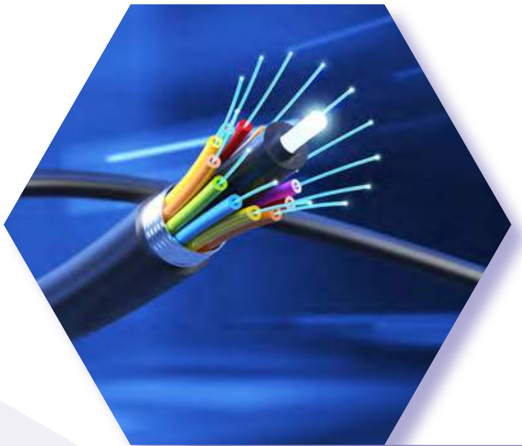
Building Trusted 4G/5G stack from India

In recent years, the company has strategically expanded its product portfolio to include wireless products, in addition to our existing wireline offerings, and thereby, significantly increasing our Total Addressable Market (TAM). We now have an extensive portfolio of leading-edge telecom products for building end-to-end telecom networks based on the latest technologies and global standards with IPR ownership. These developments have solidified our position as a leading provider of wireless solutions, and we are committed to continued innovation and growth in the wireless space.

Tejas, in partnership with reputed partners, successfully completed the POC for a large-scale 4G deployment project for a leading state-owned telecom company. This was followed by the deployment of approximately 600 radios across 200 sites in North India, highlighting our ability to deliver comprehensive end-to-end telecom solutions. Through this partnership, we now offer end-to-end 4G/5G stack solutions that encompass products and software for RAN and Core networks, network planning & management tools, AI/ML enabled OSS/BSS tools, and system integration. This comprehensive suite of offerings is being developed with a focus on creating an Atmanirbhar (self-reliant) 4G and 5G ecosystem in India.



Growing our Business through Product Innovations



Expansion of Fiber Broadband and Optical Networking Product Portfolio

We have expanded our fiber broadband product portfolio by adding more ONT variants and a new compact and cost-effective 1RU 4-port GPON OLT. Our Multi-PON card provides a pay-as-you-grow plan, allowing service providers to migrate from GPON to XGS-PON with minimal disruption and easily introduce new services. GPON services can be continued until there is a business need to upgrade using the Multi-PON card. We have also enhanced the OTN DXC portfolio by scaling tens of terabit non-blocking DXC capacities to address core and large metro applications. Our DWDM products now support L-band and can carry more traffic on single fiber pair.

State-of-the-Art Routing Products

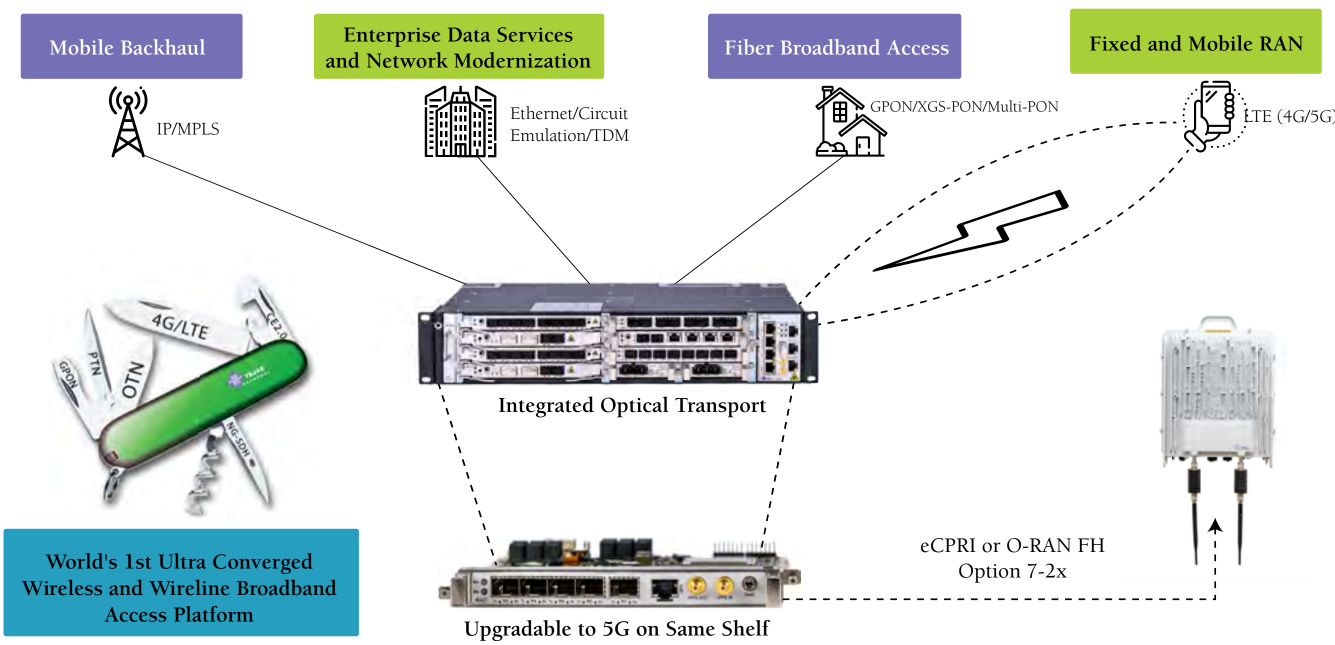
Our TJ1400 UCB (Ultra-converged Broadband) product has been enhanced with advanced IP/MPLS functionality. Currently the product has been selected by a large public sector telco for the upgradation of its all-India IP/MPLS based Access and Aggregation Network (MAAN). High availability is needed in the access and aggregation layer and the modular construction of TJ1400 routers along with features like redundancy and hot-swap functionality of modules make it an ideal fit for aggregation networks in growing or high-demand markets.

TejCelestia™

TejCelestia™, an xPON technology solution from Tejas Networks, is a Software-as-a-Service (SaaS) based QoE offering with flexible deployment models (bare metal, private cloud, public cloud) which will make it easy for service providers to manage their network elements. This also reduces the equipment foot print with considerable savings in Capex and Opex.

TJ1400UCB :World-class Innovation

Our award-winning TJ1400 Ultra-Converged broadband access and transport product has been enhanced to support advanced IP/MPLS routing along with 4G/5G RAN and backhaul, xPON, Ethernet, Circuit Emulation and Optical Transport.



Mobile Breakthrough Award 2022
"Broadband Innovation of the Year"

Voice & Data Award 2022
"Telecom Leadership Award"

IMC Award 2022
"Best Made in India Telecom Innovation"

IESA Technovation Award 2022
"Best Enterprise-India"

Glotel Award 2020

Leading Lights Award 2019

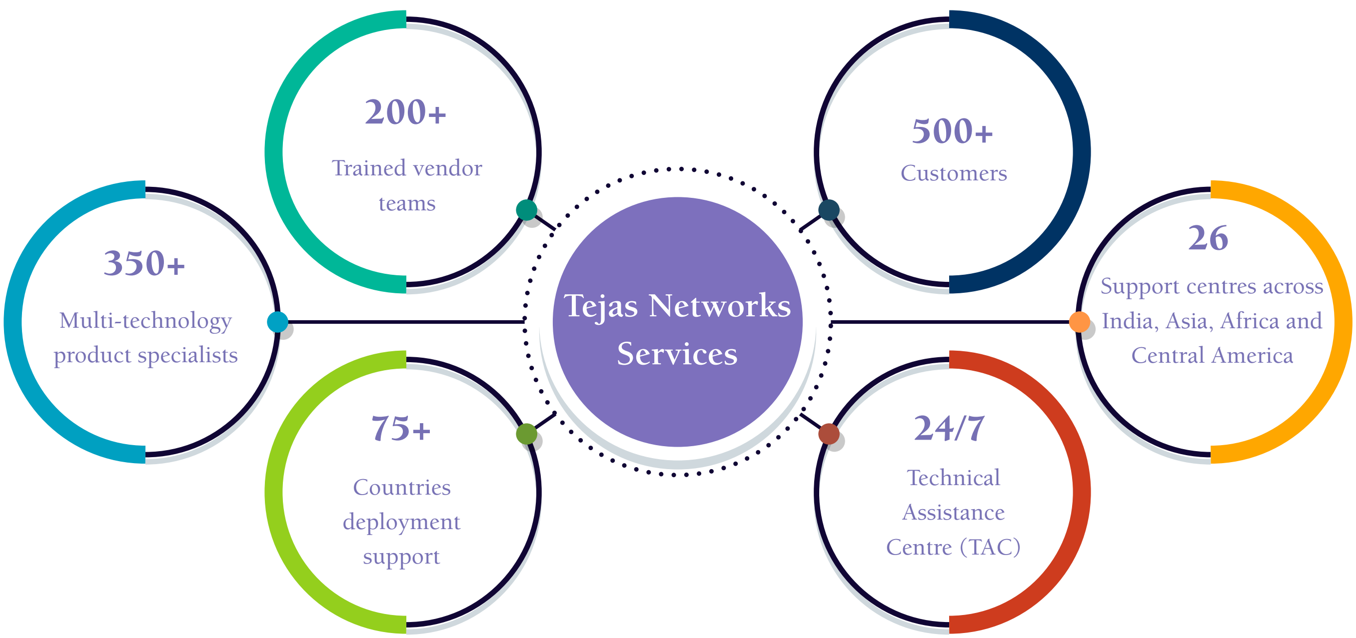
Fierce Innovation Award 2019

Broadband World Forum Award

Network Services Complementing Product Sales

The decadal shift in the technological landscape is transforming the services landscape, paving the way for next-generation services and resilient network operations in the post Covid era. As more and more people are working, socializing, shopping and learning from home, telecom networks have become increasingly crucial for ensuring seamless connectivity and uninterrupted access to essential services. Tejas Networks has a strong team of over 350 multi-technology product specialists and 200 trained vendor teams to support deployments in more than 75 countries with over 500 satisfied customers. Our 24*7 Technical Assistance (TAC) Centre in Bangalore with 26 support centres across India, Asia, Africa and Central America are trained to leverage the latest technologies to deliver a world-class network service. Our services support team has extensive experience in Packet Optical, DWDM, PTN, IP/MPLS, OTN, SONET/SDH as well as access technologies such as GPON, FWA and Mobile Wireless with a sharp focus on 4G LTE and 5G Wireless technologies.

Our network support team is well-trained in technologies such as NG-PON, SDN, and 5G to deliver and support low-latency, high-speed data networks for our customers, be they carriers, bandwidth providers, or enterprise customers.



Tejas Networks offers a robust end-to-end services portfolio that is specifically designed to optimize the total cost of ownership (TCO) for our customers. Our approach includes well-researched transformation programs, technology enablers, proven managed services, and managed capacity models that allow our customers to pay as they grow.

We have a world-class service network that operates 24/7, ensuring that our customers and partners receive uninterrupted support even in challenging times such as the global pandemic. Thanks to our extensive network, we were able to maintain 99.999% network uptime for all our key customers, demonstrating our commitment to providing exceptional services and support.

Geographically-diverse Customer Support

Our technical support team is well-equipped to provide 24x7 emergency support from virtually anywhere in the world. All our customer support engineers, including TAC, are equipped with remote access capability and tools to support our customers from the office as well as from their homes. In addition, we have our resident engineers located at select client premises to provide 'over the shoulder support'.

Mission-Critical Premium Support

We provide mission-critical services and support through the TAC L3 and remote-monitoring capability. Through our state-of-the-art global delivery system in Bangalore, we are well-equipped to simulate customer network issues and troubleshoot faults remotely. Our TAC team possesses deep technical expertise and works closely with our R&D team to fix issues.

Our remote delivery centres and TAC have been modernised to support mission-critical services and remotely manage customer NOCs, thus ensuring high QoS and a best-in-class experience to our end customers at an optimal cost. This came as a saviour for our customers during the pandemic when most travel was restricted.

Network Build Services

- Network architecture design
- Network installation and commissioning
- Documentation

Network Support & Managed Services

- Proactive network support and maintenance both on-site and offshore services
- Hardware and Software upgrades
- Comprehensive repair and return support

Training & Knowledge Services

- Training by technology specialists
- Extensive knowledge base

Network Consultancy Service

- Network audit and optimisation
- Network advisory
- Network planning
- Network design

High-quality Scalable Manufacturing Operations

The pandemic-induced chip shortages have demonstrated the need for businesses to have a flexible, agile, and resilient supply chain to quickly respond to emergent challenges in the rapidly changing business landscape. We have been effectively navigating these challenges by significantly upgrading our internal systems and processes to ensure better visibility and management of our supply chain. Our objective is to create a best-in-class global supply chain, which exceeds customer expectations with timely deliveries and consistently high quality while minimizing inventory levels and consistently reducing manufacturing costs.

Our company has adopted an efficient and lean asset-light manufacturing model. The products are manufactured in India through partnerships with reputed EMS companies, enabling us to stay asset-light and cost-efficient in production. We have an in-house manufacturing facility focused on final integration, testing and quality control in order to ensure only high-quality products are delivered to our customers. Our turn-key EMS model is highly scalable and capital efficient by enabling us to adjust our manufacturing capacity to meet variability in customer demand while optimising our working capital.

In FY23, we undertook multiple initiatives to realize our vision to build a scalable and world-class supply chain organization.

Established a new **24,000** square feet manufacturing facility in Electronics City, Bengaluru

Added **10,000** square feet of world-class test facilities for wireline products in existing manufacturing unit

Established a new wireless production assembly line spanning **15,000** square feet

Upcoming plans to use **Solar Power** for our manufacturing facility to achieve Net Zero emissions.

Signed up **4 new EMS partners** to scale up our capacity to prepare for larger orders

A Glance at our Manufacturing and Storage Facilities

Fostering a Culture of Continuous Improvement

We strongly believe in a culture of continual improvement. In order to build and strengthen the operational excellence in our manufacturing facility, we have taken up initiatives like 5S, Poka-Yoke, Kaizen, and Basic Lean implementation.

Focus on Quality

Quality is deeply ingrained in our company culture and has always been given foremost importance at Tejas in terms of both the design as well as manufacturing of our high-performance and cost-competitive networking products. We remain steadfast in our commitment to upholding the highest standards of quality, delivering superior service management, implementing robust information security practices, and maintaining a mature business continuity management framework. Our vigilant monitoring of customer engagements worldwide enables us to minimize risks and ensure uninterrupted service through daily tracking, digitized multi-level dashboards, and differentiated supervision of critical challenges. Our unwavering dedication to customer-centricity, operational rigor, and excellence in delivery has consistently yielded high levels of customer satisfaction as evident in our periodic surveys.

We have an established sophisticated design, development and testing infrastructure in-house, which helps us monitor our quality management meticulously. The field performance of our products is more than 99.999% uptime. Our unique Quality Model not only ensures the quality of outgoing products but places an equal focus on supplier selection, quality checking of incoming materials, in-process quality audit, product quality audit and reliability testing. We have been certified for TL9000 & ISO9001 certification for our quality management system with reference to our supply chain, R&D and manufacturing processes. Training and retraining all our employees is fundamental to our commitment to continual improvement. Alongside our various quality, environmental, and information security initiatives, this emphasis on professional development plays a pivotal role in enhancing our processes. By investing in our workforce, we strive to consistently deliver high-quality products that exceed customer expectations and drive overall satisfaction.

Global Industry Certifications

Our products are tested and certified by many acclaimed globally-accredited testing and certification bodies such as TUV Rheinland, Underwriters Laboratories and many government bodies. In terms of international endorsements, we have been approved under various international standards such as MEF, CE marking, UL Mark, cTUVus mark, FCC, ICES, Safety Standard IEC60950-1/IEC62368-1 and many other international certifications in connection with our products. Our products also have country-specific certifications from countries such as the US, Canada, the EU, Mexico, Brazil, Malaysia, Russian Federation and many African countries to name a few. We also comply with European Union directives on environment protection such as RoHS, REACH and WEEE.

As part of product security compliance, Tejas products are evaluated for Common Criteria certification by STQC, Ministry of Electronics & Information Technology (MeitY), Government of India. This Common Criteria certification is globally recognised. Our products also undergo Vulnerability Assessment and Penetration Testing (VAPT) Certification by STPI, a Government of India body.

After conducting detailed testing as per generic requirements, we have also received Type-approval and Interface-approval Certificates from the Telecommunication Engineering Centre for our Optical Networking Products in India. We have also received the ISO 14001 certification for our effective environmental management system.

TÜVRheinland FC UL RoHS CE TL9000 Certified CE 2.0 MEF CERTIFIED ISO 9001

Additional measures undertaken:

For Products:

At Tejas, we prioritize product quality to earn customer loyalty. To serve this purpose and meet industry standards, we have launched many initiatives to improve the quality of our products. Our ongoing releases focus on improving product and software quality to enhance customer satisfaction, with goals such as minimizing outage time during upgrades, ensuring non-service affecting recovery from software crashes, reduce fan noise etc. We also rigorously test our products in our dedicated testbed and implement security-related enhancements, including third-party certifications like the VAPT certificate by STPI.

For Process:

At Tejas, we understand that consistent and continuous process enhancement is crucial for good product quality. We have implemented rules to improve our processes, such as a stringent code check-in process, mandatory unit test reports and review records for defect fix/closure. We also prioritize documentation of new/incremental features and are working towards automating test cases and converging various automation platforms. We are implementing DevOps methodologies for continual improvement of our software development processes. Additionally, we are implementing static code analysis tools to detect and fix defects, and have already fixed many issues detected by third-party code analysis tools.

Cyber Security

We believe that in the modern digital age, cyber security is not an IT/information security issue, but a business issue. We have adopted a multidimensional approach to cyber security, which enables the company to protect the data using a multi-layered defense mechanism and a combination of tools and techniques that complement and augment each other. The processes and systems in the company reduce the threat, mitigate the negative financial and reputational impacts, and created an organisational culture of cyber security that consistently practices effective cyber security policies, processes and procedures including spear-phishing campaigns and cyber data breach table-top exercises.

The company, as part of its cyber security, implemented advanced cyber diagnostic assessments, on a regular basis and also implemented Cyber Threats Monitor, Brand Monitor and Infrastructure Monitor as part of its cyber security preparedness. Further, the company ensured information system resilience and implemented and periodically tested an enterprise-wide Business Continuity Plan and Disaster Recovery Plan.

Data Protection and Privacy

Tejas is committed to protecting the privacy of individuals whose personal data it holds, and processing such personal data in a way that is consistent with applicable laws and ensures safety and security of data including where it has presence in overseas jurisdictions, and is committed in ensuring compliance with applicable laws across these jurisdictions. Tejas has an integrated and centralized strategy for achieving data privacy compliance across all jurisdictions.

Some of the additional measures undertaken:

- **CloudSEK realtime monitoring system:** Tejas ICT is engaged with third Party vendor CloudSEK to do real-time monitoring of exposed server/services.
- **Gateway Firewall:** Any traffic flow to or from internet pass through gateway firewall.
- **Anti-Virus client protection:** All client system with Windows and Linux OS is protected with centralised anti-virus client.
- **Web Security Client Zscaler:** All laptops are installed with Zscaler web security.
- **DLP CoSoSys:** All laptops/desktops will be installed with CoSoSys client, which tracks transfer of files and blocks based on defined policies.
- **Centralised build environment:** Build environment is planned to move from desktops in user place to centralised isolated server. This is currently in implementation phase

Information Security Management (ISO 27001) Certification

As a deep technology product company that develops products catering to wireline and wireless solutions across varied technologies for our customers worldwide, it is imperative for us to ensure information security and maintain our processes to meet a high level of product security. We are successfully certified for ISO 27001.

Human Resources: Building a World Class Team

Our people practices are designed to attract and retain the most talented people from around the world. Since our inception in 2000,we have made significant investments in our talent management and developmental programs to ensure that we hire and nurture a strong and talented workforce. More than 60% of our employees are engaged in R&D and a majority of them are from top colleges and universities of India. The world-class quality of our wireline and wireless products is a true testament to our company's highly talented and skilled workforce.

Highly-experienced Senior Sales Team
Avg. experience 16.6 years
(Avg. 6.6 years @ Tejas)

Highly-experienced Senior R&D Team
Avg. experience 8.5 years
(Avg. 3.3 years @ Tejas)

Tejas Academy

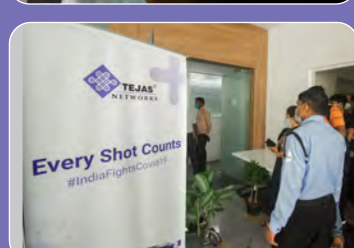
Tejas Academy focused on preparing new hires become productive from day 1. It is a boot camp designed to help them work with processes, products, software and systems before they join their respective engineering teams. The training capacity can be seamlessly scaled up as per the evolving needs of the organization.

Tejotsav : Team Building and Employee Engagement

Tejotsav, our employee-driven cultural and sports committee, organizes various activities to create a vibrant and engaging workplace. These include the popular TPL, talent shows, the Women's Box-Cricket League, and festivals. These activities encourage employees to connect, showcase their skills, and build camaraderie. Our goal is to promote artistic expression, sportsmanship, and cultural appreciation while fostering mutual respect, unity, and diversity.

Continued Learning

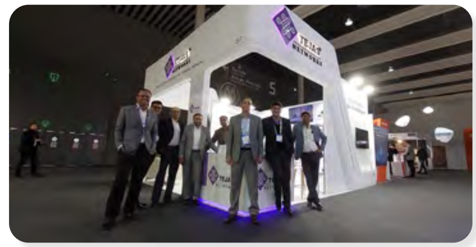
Tejas organized a diverse range of employee development programmes to nurture their innate talent and upgrade their skill sets. A leadership development session was organized for Saankhya and Tejas leaders to promote leadership excellence and team building. The session was facilitated by a renowned expert in the field and involved interactive workshops, group discussions, case studies, and practical exercises. These activities promoted collaboration and built a sense of togetherness between the two teams. The session proved to be highly impactful in breaking down barriers and fostering effective teamwork. We look forward to conducting more of these team-building activities in the future.



Strengthening Our Brand Through Global Events & Trade Shows

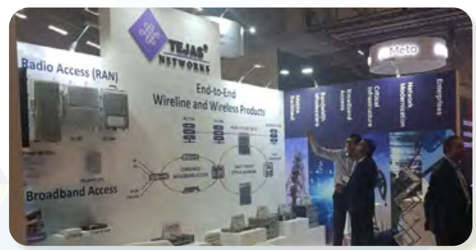
India Mobile Congress 2022

Mobile World Congress Barcelona 2023



CommunicAsia 2022

AfricaCom 2022



DISTRIBUTECH 2023

India Telecom 2023

CES (Consumer Electronics Show) 2023

Mobile World Congress Las Vegas 2022

India Africa ICT Expo 2022

IRSE 2022

Awards, Accolades And Recognitions

Tejas Networks has been recognised time and again by global industry leaders for product innovation and business excellence. These recognitions are a testament to Tejas' continued commitment to deliver cutting-edge products and solutions for the telecom industry.

Mobile Breakthrough Awards 2022

TJ1400 UCB won the prestigious "Broadband Innovation of the Year" award at the sixth annual Mobile Breakthrough Awards program in California, USA. In 2022, the award winners were selected after a rigorous evaluation of over 2700 global nominations received from top companies and startups in the global mobile, wireless, and IoT industries.

IESA Technovation Awards 2022

Tejas Networks was recognised as the "Best Enterprise - India" at the 2022 IESA Technovation Summit. IESA's jury unanimously selected Tejas for its outstanding contributions to India's Electronics System Design and Manufacturing (ESDM) sector through the company's world-class products and innovations.

IMC Awards 2022

Our TJ1400 Ultra-Converged Broadband product won the coveted India Mobile Congress award under "Best Made in India Telecom Innovation" category. The product was fully conceived, designed and manufactured by Tejas in India with Indian IPR.

Telecom Leadership Award

Tejas Networks won the Telecom Leadership award. The said recognition is being jointly conferred upon Tejas Networks, TCS, C-DOT, and BSNL, whose vision and determination have made it possible for India to complete the testing and reach the threshold of the launch of the Indian 4G stack for digital communications.

ELCITA's "Most Valued Vendor Partner" Award

The Electronic City Industrial Township Authority in Bengaluru awarded a Certificate of Appreciation to Tejas Networks Limited for being the most valued vendor partner for FY23. ELCITA has worked with Tejas Networks to build a Smart City network infrastructure that hosts the campuses of leading tech companies in the largest industrial park in Bengaluru.

BOARD'S REPORT

Board and Committees

As on April 21, 2023

The Board

N. Ganapathy Subramaniam
Non-Executive Chairman and Non-Independent Director

Chandrashekhar Bhaskar Bhave
Non-Executive and Independent Director

A. S. Lakshminarayanan
Non-Executive and Non-Independent Director

P R Ramesh
Non-Executive and Independent Director

Prof. Bhaskar Ramamurthi
Non-Executive and Independent Director

Alice G Vaidyan
Non-Executive and Independent Director

Sanjay Nayak
Managing Director and Chief Executive Officer

Anand S Athreya*
Executive Director (Managing Director and CEO designate)

Arnob Roy
Whole-time Director and Chief Operating Officer

The Committees

Audit Committee

Chandrashekhar Bhaskar Bhave, Chairman
A S Lakshminarayanan, Member
P R Ramesh, Member

Nomination and Remuneration Committee

P R Ramesh, Chairman
Chandrashekhar Bhaskar Bhave, Member
N. Ganapathy Subramaniam, Member

Stakeholders Relationship Committee

Prof. Bhaskar Ramamurthi, Chairman
Alice G Vaidyan, Member
Arnob Roy, Member

Corporate Social Responsibility Committee

Prof. Bhaskar Ramamurthi, Chairman
Alice G Vaidyan, Member
Arnob Roy, Member

Risk Management Committee

P R Ramesh, Chairman
Prof. Bhaskar Ramamurthi, Member
Chandrashekhar Bhaskar Bhave, Member

Key/Senior Management Personnel

Sanjay Nayak
Managing Director and Chief Executive Officer

Arnob Roy
Whole-time Director and Chief Operating Officer

Anand S Athreya*
Executive Director (Managing Director and CEO designate)

Kumar N Sivarajan
Chief Technology Officer

Venkatesh Gadiyar
Chief Financial Officer

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

**Anand S Athreya was appointed as Additional Director, Executive Director (Managing Director and CEO designate) from April 21, 2023 to June 20, 2023 and will be appointed as Managing Director and CEO from June 21, 2023 to April 20, 2028, subject to approval of Shareholders and Central Government.*

Board's Report

i. The Board's report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 (the "Act") and forms part of the Annual Report for the year ended March 31, 2023.

ii. Unless otherwise stated, the disclosure made in this report is for the year ended March 31, 2023.

iii. The term "Company" or "Tejas" shall mean and include "Tejas Networks Limited".

iv. The term "Panatone" (unless specifically stated as "Pantone Finvest Limited") shall mean and collectively includes "Panatone Finvest Limited", "Akashastha Technologies Private Limited" and "Tata Sons Private Limited". Panatone Finvest Limited and Akashastha Technologies Private Limited are wholly owned subsidiaries of Tata Sons Private Limited.

v. The confirmations/ disclosures are based on the records and information as made available to the Board of Directors, to the best of their knowledge and belief and explanations obtained from the management.

Dear Shareholders,

The Board of Directors (the "Board") hereby submits the report of the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Company Overview

The Company was incorporated on April 24, 2000 and made an initial public offer of 3,02,21,332 equity shares of ₹ 10/- each for a cash price of ₹ 257/- per share including a premium of ₹ 247/- per share aggregating to ₹ 776.69 crore, comprising of a fresh issue of 1,75,09,727 equity shares aggregating to ₹ 450 crore and an offer for sale of 1,27,11,605 equity by the selling shareholders aggregating to ₹ 326.69 crore. The Company listed its equity shares at BSE Limited and National Stock Exchange of India Limited on June 27, 2017.

During the year FY 2022, the Company entered into a strategic partnership with Panatone Finvest Limited, pursuant to this, Panatone Finvest Limited is the sole promoter of the Company and Akashastha Technologies Limited and Tata Sons Private Limited as Members of the Promoter Group of the Company. Tejas Networks is a part of the Tata Group, with Panatone Finvest Ltd. (a subsidiary of Tata Sons Pvt. Ltd.) being the majority shareholder.

During the year FY 2023, the Company acquired 64.4% stake in Saankhya Labs Private Limited and its subsidiaries. As a result of acquisition of controlling interest by the Company in Saankhya Labs Private Limited and by Saankhya Labs Private Limited in Saankhya Strategic Electronics Private Limited with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated numbers for the year ended March 31, 2023 includes the contribution from those entities and thus are not comparable with previous year.

2. Financial Performance

a. Results of our operations and state of affairs

in ₹ crore

Particulars	Standalone		Consolidated	
	FY 2023	FY 2022	FY 2023	FY 2022
Revenue from operations	869.08	549.14	919.57	550.59
Other Income	79.14	43.25	81.01	43.30
Total income	948.22	592.39	1,000.58	593.89
Expenses				
Cost of materials consumed	529.92	290.74	533.87	290.74
Purchases of stock in trade	31.82	23.69	31.82	23.69
Changes in inventories of stock in trade/work in progress	(1.84)	(3.65)	(4.99)	(3.65)
Employee benefit expense	172.16	124.51	232.65	134.43
Finance costs	5.20	3.03	15.20	3.19
Depreciation and amortization expense	105.13	76.78	122.50	76.78
Allowance for expected credit loss	(33.32)	87.91	(32.97)	87.76
Other expenses	127.86	107.53	145.15	98.08
Total expenses	936.93	710.54	1,043.23	711.02
Profit/(Loss) before tax	11.29	(118.15)	(42.65)	(117.13)
Income tax expense				
Current tax	-	0.19	(0.32)	0.19
Deferred tax expense/ (benefit)	8.25	(54.61)	(5.92)	(54.61)
Total tax expense	8.25	(54.42)	(6.24)	(54.42)
Profit/(Loss) after tax	3.04	(63.73)	(36.41)	(62.71)
Other comprehensive income/(Loss)				
Items that will not be reclassified to profit or loss	(2.92)	(2.08)	(3.15)	(2.08)
Items that will be reclassified to profit or loss	-	-	0.73	0.89
Total comprehensive income/(loss) for the year	0.12	(65.81)	(38.83)	(63.90)
Retained earnings- opening balance	(13.75)	52.06	(12.51)	52.28
Less: Items that will be reclassified to profit or loss	-	-	0.73	0.89
Retained earnings- closing balance	(13.63)	(13.75)	(52.07)	(12.51)
Earnings/(Loss) per equity share				
Basic	0.20	(6.07)	(2.46)	(5.97)
Diluted	0.19	(6.07)	(2.46)	(5.97)

b. Financial Position

in ₹ crore

Particulars	Standalone		Consolidated	
	FY 2023	FY 2022	FY 2023	FY 2022
Bank balances and deposits with maturity up to three months	78.98	45.50	85.39	47.56
Bank balances other than above				
Current[(1)]	652.06	299.68	656.42	299.68

Deposits with remaining maturity of more than twelve months	-	0.22	-	0.22
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	-	1.15	2.31	1.15
Investment in mutual funds	262.24	401.78	262.24	401.78
Deposits with financial institutions disclosed under other current financial assets	300.00	351.79	300.00	351.79
Cash and cash equivalents including margin money	1,293.28	1,100.12	1,306.36	1,102.18
Net current assets[(2)]	931.56	468.42	934.59	480.34
Property, plant and equipment	78.28	40.09	85.05	40.09
Right-of-use assets	42.89	14.56	44.29	14.56
Intangible assets[(3a)]	97.85	83.20	305.67	83.20
Intangible assets under development	136.41	39.61	153.58	39.61
Goodwill[(3b)]	-	-	211.81	-
Other non-current assets[(4)]	472.89	193.54	134.31	182.71
Total assets[(5)]	3,053.16	1,939.54	3,175.66	1,942.69
Non-current provisions	2.03	0.49	2.12	0.49
Other non-current financial liability	-	-	156.68	-
Lease Liabilities	43.86	11.95	43.90	11.95
Total equity	3,007.27	1,927.10	2,972.96	1,930.25
Total equity and non-current liabilities	3,053.16	1,939.54	3,175.66	1,942.69

[(1)] *Deposits with original maturity of more than three months but less than twelve months, balances with banks in unpaid dividend account & balances held as margin money or security against fund and non-fund based banking arrangements.*

[(2)] *Current assets net of current liabilities as disclosed in balance sheet excluding cash and cash equivalents.*

[(3)] *Consol FY2023 includes the below balances recognised, pursuant to acquisition of controlling interest in Saankhya Labs Private Limited, as part of Purchase Price Allocation (PPA)*

a) Technical Know How ₹ 220.47 crore

b) Goodwill ₹ 211.81 crore

[(4)] *Excluding bank balances considered as cash and cash equivalents.*

[(5)] *Net of current liabilities.*

c. Consolidated Performance

The net revenues from operations on a consolidated basis grew by 67.0% to ₹ 919.57 crore, which include ₹ 49.48 crore of revenue from Saankhya Labs and its subsidiaries, acquired wef July 1, 2022, in FY 2023. Domestic and export revenues constituted 76% and 24% of our total revenues respectively. The gross profit on a consolidated basis amounted to ₹ 239.42 crore (26.0% of net revenue) for FY 2023 as against ₹ 174.00 crore (31.6% of net revenue) in the previous year. The gross and net Research and development costs were 28.1% and 8.9% of our net revenue for FY 2023 as compared to 23.8% and 9.4% for FY 2022. Selling and marketing costs were 11.0% (previous year 14.7%) of our net revenue for FY 2023.

The General and administrative expenses were 7.9% (previous year 6.2%) of our net revenue for FY 2023. Allowance for expected credit loss reversal of 3.6% (previous year charge of 15.9%) of our net revenue for FY 2023. The operating loss after depreciation and amortization amounted to ₹ 105.57 crore (-11.5% of net revenue) as against ₹ 157.24 crore (-28.6% of net revenue) in the previous year. The loss before tax was ₹ 42.65 crore (-4.6% of net revenue) as against ₹ 117.13 crore (-21.3% of net revenue) in the previous year. The net loss was ₹ 36.41 crore (-4.0% of net revenue) as against ₹ 62.71 crore (-11.4% of net revenue) in the previous year. As a result of acquisition of controlling interest by the Company in Saankhya and by Saankhya Labs in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated numbers for the year ended March 31, 2023 includes the contribution from those entities i.e. revenue of ₹ 49.48 crore, loss before tax of ₹ 33.25 crore and loss after tax of ₹ 23.23 crore and thus are not comparable with previous year. The loss before tax for Saankhya was primarily on account of RSU charge of ₹ 29.27 crore which was part of the acquisition.

d. Standalone Performance

The net revenues from operations on a standalone basis grew by 58.3% to ₹ 869.08 crore in FY 2023. Domestic and export revenues constituted 80% and 20% of our total revenues respectively. Our gross profit on a standalone basis amounted to ₹ 227.47 crore (26.2% of net revenue) as against ₹172.71 crore (31.5% of net revenue) in the previous year. The gross and net Research and Development (R&D) expenses were 27.4% and 9.0% of our net revenues respectively for FY 2023 as compared to 23.9% and 9.4% respectively for FY 2022. Selling and marketing costs were 10.9% (previous year 14.8%) of our net revenue for FY 2023. The General and administrative expenses were 4.9% (previous year 6.1%) of our net revenue for FY 2023. Allowance for expected credit loss reversal of 3.8% (previous year charge of 16.0%) of our net revenue for FY 2023. The operating loss after depreciation and amortization amounted to ₹59.80 crore (-6.9% of net revenue) as against ₹158.37 crore (-28.8% of net revenue) in the previous year. The profit before tax was ₹ 11.29 crore (1.3% of net revenue) as against loss of ₹ 118.15 crore (-21.5% of net revenue) in the previous year. The net profit was ₹ 3.04 crore (0.3% of net revenue) as against loss of ₹ 63.73 crore (-11.6% of net revenue) in the previous year.

e. Earnings Per share

The basic earnings per share grew by 103.3% to ₹ 0.20 (previous year ₹ -6.07) at standalone level and by 58.8% to ₹ -2.46 (previous year ₹ -5.97) on consolidated basis.

f. Liquidity

The Company is a debt-free Company and maintains sufficient cash to meet the Company's business requirements and also to cover financial and business risks and to support future growth. The principal sources of liquidity are cash and cash equivalents and the cash flow the Company generates from the business.

The liquid assets of the Company as on March 31, 2023 is ₹ 1,293.28 crore and ₹ 1,306.36 crore on a standalone and consolidated basis respectively. The cash and cash equivalents include balance and deposits with banks, investment in mutual funds and deposits with financial institutions. The details of these investments and deposits are disclosed under the 'current investments, non-current and current financial assets' section in the standalone and consolidated financial statements in this Annual report.

g. Dividend

The Board of Directors periodically reviews the Company's ability and necessity to distribute dividends to its Shareholders, with a view to preserve the profitability and long term growth plans for the Company. While reviewing the necessity to distribute dividend, the Board of Directors takes into account various factors including current and future earnings and cash flow projections, capital expenditure requirements for current and future projects, contingencies, regulatory, political, economic factors while making a determination to transfer retained earnings to reserves in entirety or partially for a given year and consequently may 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, 2013.

The Board of Directors after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy has decided that it would be prudent, not to recommend any Dividend for the year under review.

The Board has adopted a Dividend distribution policy which sets out the parameters in determining the payment / distribution of dividend. The details of Dividend Distribution Policy is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

h. Transfer to Reserves

The Board has decided to retain the entire amount of profits for FY 2023 in the profit and loss account and does not propose to transfer amounts to the general reserve out of the amount available for appropriation.

i. Share Capital

(i) Increase in Authorised Capital

The Authorised Share Capital of the Company as on March 31, 2023 is ₹ 260,00,00,000/- consisting of 26,00,00,000 equity shares of ₹ 10/- each. During the year under review, the Company increased the authorised share capital from ₹ 200,00,00,000/- consisting of 20,00,00,000 equity shares of ₹ 10/- each to ₹ 260,00,00,000/- consisting of 26,00,00,000 equity shares of ₹ 10/- each. The necessary amendments were made to the capital clause in the Memorandum of Association of the Company, to enable the increase in the Authorised Share Capital of the Company. This was approved by Shareholders in the 22nd Annual General Meeting held on July 26, 2022.

(ii) Increase in Paid-up Capital

During the year under review, there was an increase in paid-up equity share capital, in view of the Company issuing and allotting equity shares as follows:

- Preferential allotment of 3,68,21,706 equity shares with a face value of ₹ 10/- per equity share at a premium of ₹ 248/- per equity share to Panatone Finvest Limited, on April 8, 2022 consequent to the rights of conversion attached to Share Warrants - Series A.
- Preferential allotment of 1,55,03,876 equity shares with a face value of ₹ 10/- per equity share at a premium of ₹ 248/- per equity share to Panatone Finvest Limited, on February 6, 2023 consequent to the rights of conversion attached to Share Warrants - Series B.
- Allotment of 14,95,363 equity shares with a face value of ₹ 10/- per equity share, consequent to exercise of Stock Options/ Restricted Stock Units into equity shares of the Company by the eligible employees of the Company.

As a result of the above, the paid-up equity share capital stands at ₹168,37,08,530/- comprising of 16,83,70,853 equity shares of ₹10/- per share fully paid up, as on March 31, 2023.

j. Particulars of loans, Guarantees and Investments by the Company

The Company makes investments or extends loans/ guarantees to its subsidiaries for their business purposes as and when required by them for its emergent business requirements.The details of loans, guarantees and investments covered under Section 186 of the Act along with the purpose for which such loan or guarantee were utilized forms part of the Notes to standalone financial attached to this Annual report.

k. Investor Education and Protection Fund (IEPF)

The IEPF Rules states that all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company had declared its maiden dividend during the year ended March 31, 2019 and hence the amount of dividend remaining unclaimed for a period of seven years from the date of transfer has not arisen, till date. The details of the Unclaimed dividend as on March 31, 2023 is available on the Company's website at www.tejasnetworks.com/shareholders.php. Any shareholder who has a claim on such dividend is requested to contact our Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited rnt.helpdesk@linkintime.co.in.

l. Management Discussion and Analysis

The matters pertaining to industry structure and developments, opportunities and threats, segment-wise/team-wise performance, outlook, risks and concerns, internal control systems and adequacy, discussion on financial and operational performance are detailed in the Report. The Management Discussion and Analysis report for the year under review and as stipulated under the Listing Regulations is presented in a separate section, forming part of the Annual Report.

m. Subsidiaries, Joint Ventures and Associate Companies

The Company has 5 subsidiaries (including 3 stepdown subsidiaries) as on March 31, 2023:

Saankhya Labs Private Limited	Majority owned subsidiary of Tejas incorporated under the Companies Act, 1956
Saankhya Strategic Electronics Private Limited	Wholly owned subsidiary of Saankhya Labs Private Limited and stepdown subsidiary of Tejas, incorporated under the Companies Act, 2013
Saankhya Inc.	Wholly owned subsidiary of Saankhya Labs Private Limited and stepdown subsidiary of Tejas, incorporated under the laws of United States of America
Tejas Communication Pte. Limited	Wholly owned subsidiary of Tejas, incorporated under the Companies Act, Singapore
Tejas Communications (Nigeria) Limited	Wholly owned subsidiary of Tejas Communication Pte. Limited and stepdown subsidiary of Tejas, incorporated under the Companies and Allied Matters Act, 1990, Nigeria

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. The Company in accordance with the provisions of the Act prepared Consolidated Financial Statements of the Company and all its subsidiaries which form part of the Report. Further, the report on the performance and financial position of each subsidiary and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed as **Annexure -1** to this Report.

In accordance with the provisions of the Act and the amendments thereto, read with the Listing Regulations the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies are available on our website at https://tejasnetworks.com/financial-information-subsidiaries.php.

3. Key Developments

a. Investment in Saankhya Labs Private Limited

In accordance with the definitive agreement dated March 30, 2022 entered into between Tejas, Saankhya Labs Private Limited ("Saankhya") and certain shareholders, Tejas made a secondary purchase of 62,51,496 equity shares on various dates from July 1, 2022 to August 19, 2022 from the existing shareholders of Saankhya in various tranches at a price of ₹ 454.19 per equity share amounting to consideration of ₹ 283.94 crore, working out to 64.4% of the equity share capital of Saankhya, on a fully diluted basis. With the said investment, Tejas is a promoter of Saankhya and Saankhya is a majority owned and controlled subsidiary of the Company.

b. Amalgamation of Saankhya Labs Private Limited and Saankhya Strategic Electronics Private Limited with the Company

In accordance with the definitive agreement dated March 30, 2022 entered into between Tejas, Saankhya and certain shareholders, the Board of Directors in their meeting held on September 29, 2022 approved draft scheme of amalgamation of Saankhya and its wholly owned subsidiary Saankhya Strategic Electronics Private Limited ("SSE") and their respective shareholders with the Company under Sections 230 to 232 of the Companies Act, 2013 providing for:

- The merger of Saankhya and its wholly owned subsidiary SSE with Tejas, and dissolution of Saankhya and its wholly owned subsidiary SSE without winding up.
- The appointed date of the Scheme is July 1, 2022.
- On the scheme of amalgamation becoming effective and in consideration of the amalgamation of Saankhya and its wholly owned subsidiary SSE with the Company, Tejas shall issue and allot for every 100 equity shares of ₹ 10/- each held in Saankhya, 112 equity shares of ₹ 10/- each as fully paid-up shares of Tejas to each shareholder of Saankhya, whose name is recorded in the Register of Shareholders as on the effective date.
- Since SSE, is a wholly owned subsidiary of Saankhya, which will amalgamate with Tejas pursuant to this scheme of amalgamation, no consideration will be issued for the amalgamation of SSE with Tejas.
- The said shares so issued and allotted as part of the scheme of amalgamation would be listed on the BSE Limited and the National Stock Exchange of India Limited.
- In an event, the scheme has been rejected by the NCLT, or approval from NCLT for merger is not received within 15 months from the date of its filing with the NCLT or such extended date as may be mutually agreed to by all the parties, the Company shall acquire the balance 35.6% of the shares of Saankhya by way of a secondary acquisition from its existing Shareholders so that Saankhya becomes a wholly owned subsidiary of the Tejas.

Consequent to the above, the Company intends to proceed with acquiring the balance 35.6% shares through a Scheme of Arrangement under Sections 230 to 232 and other applicable provisions under Companies Act, 2013, subject to the approval of respective bench of National Company Law Tribunal and/ or any other approval(s) as may be required.

c. Preferential allotment of Equity Shares on Private Placement basis on conversion of Share Warrants to Panatone Finvest Limited

During the year ended March 31, 2023, the Company made preferential allotment of 5,23,25,582 equity shares at a face value of ₹ 10/- per equity share and at a premium of ₹ 248/- per equity share shares to Panatone Finvest Limited, the promoter of the Company, on exercise of the said Share Warrants (Series - A and Series - B) in accordance with the Share Subscription Agreement dated July 29, 2021, entered between Panatone Finvest Limited and the Company as follows:

Nature	No. of Warrants subscribed	No. of Equity shares issued	Date of Allotment
Share Warrant-Series A	3,68,21,706	3,68,21,706	April 8, 2022
Share Warrant-Series B	1,55,03,876	1,55,03,876	February 6, 2023
Total	**5,23,25,582**	**5,23,25,582**	

In view of the above, Panatone Finvest Limited, the sole promoter of the Company holds 56.37% of the total paid-up capital of the Company as on March 31, 2023.

d. Changes in the Board

The changes that took place in the Board during the year under review and the details thereof are mentioned in this report under the heading - "Directors and Key Managerial Personnel". Shareholders are requested to refer the same.

4. Business Performance and Initiatives

a. Business Performance

Tejas designs and manufactures high-performance wireline and wireless networking products for telecommunications service providers, internet service providers, utilities, defence and government entities in 75+ countries.

The company has a full range of products for building end-to-end telecom networks including wireless access (4G, 5G), fiber broadband (GPON, XGS-PON), optical transmission (DWDM, OTN) and packet switches (Ethernet, IP/MPLS) that can be managed by a universal, multi-technology network management system. With the recent acquisition of Saankhya Labs, the company has enhanced its R&D competencies in adjacent areas such as satellite communications, broadcast and semiconductor chip design. Tejas is a leading technology innovator in India's telecom sector with 445 patent filings and a rich repository of 330+ semiconductor IPs. Over 60% of the Tejas workforce is involved in R&D. Tejas is a part of the Tata Group, with Panatone Finvest Ltd. (a subsidiary of Tata Sons Private Limited.) being the majority shareholder.

b. Quality Initiatives

Quality is an integral element of our culture and has always been given the first and the foremost importance at the Company in terms of both the design as well as manufacturing of our high-performance and cost-competitive networking products. The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. We actively monitor all customer engagements across the globe to minimize risks and ensure continuity of services through daily tracking, digitized multi-level dashboards and differentiated governance of critical engagements. The customer-centricity, rigor in operations and focus on delivery excellence have resulted in sustained high customer satisfaction levels in the periodic surveys conducted by the Company. The Company has established a sophisticated design, development and testing infrastructure in-house to ensure meticulous monitoring of product quality. The Company has a comprehensive quality management model that places a strong focus on supplier selection, quality inspection of incoming materials, in-process quality audit, product quality audit and reliability testing. The Company is TL9000 and ISO9001 certified for its quality management system with reference to its supply chain, R&D and manufacturing processes. It has also received ISO14001 and ISO27001 certifications for its environmental and information security management systems respectively. Training and Retraining all our employees is the corner stone of improving repeatability in the constant endeavour of continual improvement apart from various quality, environmental and information security initiatives to improve our processes thereby delivery quality products to ensure customer satisfaction.

c. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure-3** to the Board's Report.

However, some of the steps taken by the Company along with its Subsidiaries for conservation of energy include:

- The offices have installed LED lights.
- The documents for Board and Committee meetings are transmitted electronically using a secure web-based application, thereby saving paper.
- Selecting and designing offices to facilitate maximum natural light utilisation, video-conferencing facilities across all offices to reduce the need of employee travel and digital learning initiatives for employees.
- Optimal usage of lights, continuous monitoring of the operations of the equipments and elimination of non-recyclable plastic in offices.

d. Business Continuity Management

Tejas and its subsidiaries have well-documented Business Continuity Management Programme which have been designed to ensure continuity of critical processes during any disruption. The continual disruptions caused by the COVID-19 pandemic and frequent lockdowns tested the Business Continuity Plan of the Company and its subsidiaries. Nevertheless, the Company and its subsidiaries continued to operate in line with the procedures outlined in its Business Continuity Plan, which was modified to take care of the evolving situation. A pandemic plan was developed keeping in view the interest of various stakeholders like employees, customers, partners, distributors, etc. within the overall regulatory requirements and guidelines. As a result, the Company and its subsidiaries were able to continue to operate and serve customers while taking care of the health of their employees.

The Business Continuity Plan enabled the Company and its subsidiaries to resume Business Operations wherever the conditions had normalized. As the COVID-19 pandemic continues to evolve, efforts will be on to support an effective return to work, while ensuring safety of employees, distribution partners and customers. The world seems to be moving beyond the pandemic now and all the offices of the Company and its subsidiaries have resumed normal business operations from their offices located throughout the country. However, there is still an element of uncertainty from different COVID variants emerging globally. The Company will continue to monitor the situation and will act in the best interest of its stakeholders.

5. Human Resource

The Human Resources function had several challenging mandates during the financial year, key among them was hiring aggressively across the organization, the integration of Saankhya Labs into the Tejas ecosystem and bringing back employees to the workplace in a hybrid-model. As an R&D-driven company, hiring and retaining premier technical talent is critical to the company's long-term success. In FY23, we continued to accelerate hiring across all key functions to support our growth plans. As of March 31st 2023, the company had 1,417 employees on its rolls (including subsidiaries) which is a 54% increase over the last fiscal.

We added 497 of employees during FY 23 (including SL) and our annualized attrition was 17.9%. Over 64.5% of our employees are in R&D with an average industry experience of 8.7 years and nearly 29.4% have advanced degrees in engineering. Our R&D HC increased by 81% during FY 23 (including SL) compared to FY 22.

On the hiring front, Tejas partnered with an external agency to scout for junior technical talent across India without any geographical constraints. This external agency has deep relationships with top engineering colleges which was leveraged to hire the best-and-brightest across the length and breadth of the country. This filtered talent was then put through the rigorous "Tejas Academy" bootcamp which was launched last year - to enable them to contribute from day one.

The other key focus of the recruitment team was to focus on leadership hiring and fill key senior positions which are extremely critical for our future growth. Senior executive positions especially across R&D and SCM were filled with personal attention from leadership and HR.

Integration of companies bring forth many cultural and operational challenges. The HR team worked closely with their Saankhya colleagues to make sure that there was harmonization of key HR practices and policies. The leadership teams were brought together in a joint leadership-development session conducted externally, which helped senior leaders to connect informally with each other over two days. During the course of the year, the HR team onboarded a majority of the Saankhya employees to Tejas and this was carried out immaculately, with thoughtful planning and by listening to and addressing the apprehensions of the transitioned employees.

To further sensitize employees on the Tejas code of conduct, our whistle-blower policy, our information security and health/safety policies, multiple sessions were organized with real-life examples - to reiterate the key messages. This was received very well and the plan is to move to online delivery of these key topics, with mandatory periodic assessments for all.

One of the other key themes this year was the return to office for a majority of employees. To make the workplace engaging and welcoming, Tejas's employee-driven cultural/sports committee restarted a series of onsite events. These events were an instant hit like an in-house Talent show, cricket tournament and organizing festivities at the workplace. This led to the normalization of return-to-office mindset and made the transition easier for everyone – after almost ~2 years.

The HR team continued to partner with business leaders on key themes of attrition management, succession planning and capability development. We believe that our key employment proposition of quality of work, learning, empowerment, flexibility and market aligned rewards and recognition will be critical for a future-ready, agile and innovative workforce.

a. Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-7**.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a seperate Annexure forming part of this Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The said statement is also open for inspection by the Shareholders through electronic mode.

The statements required under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Rules'), as amended, form part of this report and will be made available to any Member on request.

b. Employee Stock Options (ESOP) / Restricted Stock Units (RSU)

The Company has the following ESOP / RSU Schemes in force which are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

i. Tejas Networks Limited Employees Stock Option Plan – 2014 ("ESOP Plan 2014");

ii. Tejas Networks Limited Employees Stock Option Plan – 2014-A ("ESOP Plan 2014 - A");

iii. Tejas Networks Limited Employees Stock Option Plan – 2016 ("ESOP Plan 2016");

iv. Tejas Restricted Stock Unit Plan 2017 (RSU Plan 2017);

v. Tejas Restricted Stock Unit Plan 2022 (RSU Plan 2022).

During the year under review, on the recommendations of the Nomination and Remuneration Committee, the Board granted 27,07,660 Restricted Stock Units to employees under the Tejas Restricted Stock Unit Plan – 2017 and Restricted Stock Unit Plan – 2022. The RSU Plan 2022 was approved by the shareholders in the 22nd Annual General Meeting held on July 26, 2022.

The details of the ESOP / RSU Plans as required under the applicable provisions of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is provided in **Annexure-6** which forms part of the Board's Report. The disclosure as required under the SEBI (SBEB) Regulations is available on the Company's website at www.tejasnetworks.com/disclosures.php.

The disclosure in the form of a certificate from the Secretarial Auditor on the implementation of the ESOP Schemes will be made on the Company's website at www.tejasnetworks.com/disclosures.php.

c. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company expects all its employees to act in accordance with the highest professional and ethical standards upholding the principles of integrity and compliance at all times. In this regard, expectations around compliance are communicated to the employees through multiple channels. The Company as an equal opportunity employer seeks to ensure that the workplace is free of any kind of harassment or inappropriate behaviour. Comprehensive policies and procedures have been laid down, to create an environment where there is respect and dignity in every engagement.

The Company has adopted zero tolerance for sexual harassment at the workplace. This is imbibed in the Company's culture. The Company has formulated a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the rules thereunder. The required awareness is created by communicating the essence of the policy to all employees at regular intervals through assimilation and awareness programs.

The following are the summary of the complaints received and disposed off during FY 2023:

Particulars	Details
No of Complaints of sexual harrassment receieved in the year	Nil
No of Complaints disposed off during the year	Not Applicable
No of cases pending for more than ninety days	Not Applicable

The Company has constituted an Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee is headed by an Independent person. Further, as part of the initiatives, the employees are required to undergo a mandatory e-learning module on 'Prevention of Sexual Harassment at Workplace' (POSH) and the new joinees are trained during their induction program. The Stakeholders are provided relevant training by an external agency during quarterly meetings of the IC. The POSH policy is available on the intranet portal for employees to access and refer, when required.

6. Directors and Key Managerial Personnel

a. Appointments/ Re-appointments / Resignations:

During the year under review, the following appointments and re-appointments were made to in the Board of Directors of the Company.

(i) Inductions/ Appointment

- The approval by the Shareholders by way of postal ballot dated April 15, 2022 for appointment of N. Ganapathy Subramaniam (DIN: 07006215) and A S Lakshminarayanan (DIN : 08616830) as Non-executive and Non- Independent

Directors (liable to retire by rotation) and as Nominee Directors of Panatone Finvest Limited with effect from January 19, 2022. Subsequently, the Board appointed N Ganapathy Subramaniam as Non-Executive Chairman of the Board with effect from May 18, 2022.

- The approval by the Shareholders in their 22nd Annual General Meeting held on July 26, 2022 for appointment of P R Ramesh (DIN: 01915274) and Prof. Bhaskar Ramamurthi (DIN: 01914155) as Non-Executive Independent Directors (not liable to retire by rotation), for a period of 5 years with effect from June 27, 2022 till June 26, 2027.
- The approval by the Shareholders in their 22nd Annual General Meeting held on July 26, 2022 for re-appointment of Arnob Roy, (DIN: 03176672), Executive Director and Chief Operating Officer as Director liable to retire by rotation.
- The appointment of Alice G Vaidyan (DIN: 07394437), as a Non–Executive, Independent Director of the Company for a period of 5 years from March 29, 2023 till March 28, 2028. The necessary resolution seeking the approval of the Shareholders to appoint her as a Non-Executive Independent Director, not liable to retire by rotation, for a period of Five years with effect from March 29, 2023 till March 28, 2028 forms part of the Notice to the AGM.

The brief particulars and expertise of directors seeking appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

(ii) Re-appointment

The Board in its meeting held on April 21, 2023, based on the recommendation of the Nomination and Remuneration Committee, recommended to the Shareholders to consider re-appointment of N. Ganapathy Subramaniam (DIN: 07006215) as Director liable to retire by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company. The necessary resolution seeking the approval of the Shareholders to re-appoint N. Ganapathy Subramaniam (DIN: 07006215) as a Director, liable to retire by rotation, forms part of the Notice of the Annual General Meeting.

The brief particulars and expertise of Director seeking re-appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

(iii) Resignations

- The resignation of Balakrishnan V (DIN: 02825465), as Non-Executive Chairman and Independent Director of the Company with effect from April 23, 2022.
- The resignation of Dr. Gururaj Deshpande (DIN: 01979383), Non-Executive and Non-Independent Director of the Company with effect from June 28, 2022.

(iv) Retirement from the Board

- Amb. Leela K Ponappa, Independent Director has retired from the Board and Committees of the Board with effect from February 16, 2023 on completion of her second term in the office of the Director as Independent Director of the Company. The Board noted the same in its meeting hold on February 6, 2023.
- Sanjay Nayak, Chief Executive Officer and Managing Director has expressed his desire to seek voluntary retirement from the services of the Company to pursue other personal interests. Sanjay Nayak will step down from his role as CEO and MD with effect from closing of business hours on June 20, 2023 which is effective from closing of the proceedings of 23rd Annual General Meeting of the Company. The same has been accepted by the Board in its meeting held on March 29, 2023.

The Board places on record their sincere appreciation for the invaluable contributions to the Company's success and the assistance and guidance provided by Balakrishnan V, Dr. Gururaj Deshpande, Amb. Leela K Ponappa and Sanjay Nayak during their tenure as a member of the Board/ Committees of the Company.

iv. Key Managerial Personnel

In terms of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The key managerial personnel of the Company are

- Sanjay Nayak, Managing Director and Chief Executive Officer
- Arnob Roy, Executive Director and Chief Operating Officer
- Venkatesh Gadiyar, Chief Financial Officer
- N R Ravikrishnan, General Counsel, Chief Compliance Officer and Company Secretary

b. Policy on Director Appointment and Remuneration

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Director to maintain the independence of the Board, and separate its functions of governance and management. The details of Board and Committee composition, tenure of directors, areas of expertise and other details is available in the Corporate governance report that forms part of this Annual Report.

The Nomination and Remuneration Committee engages with the Board to evaluate the appropriate characteristics, skills and experience for the Board as a whole, as well as for its individual members with the objective of having a Board with diverse backgrounds and also experience in business, finance, governance, and public service including independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Nomination and Remuneration Committee, basis such evaluation, determines the role and capabilities required for appointment of Director and thereafter, the Nomination and Remuneration Committee recommends to the Board the selection of new Directors. The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the Company's website at http://www.tejasnetworks.com/policiescodes.php.

c. Remuneration Policy for the Board and Senior Management

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel and all other employees of the Company. As part of the Policy, the Company strives to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;

- The relationship between remuneration and performance is clear and meets appropriate performance benchmarks and remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The salient features of the Policy are:

- The Policy lays down the parameters based on which payment of remuneration (including sitting fees and commission) should be made to Independent Directors and Non-Executive Directors.
- The parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus/ performance linked incentive, commission, retirement benefits) should be given to Whole-time Directors, Key Managerial Personnel(s) and rest of the employees and also the parameters for remuneration payable to Director for services rendered in other capacity.

The remuneration policy for the Board of Directors, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

d. Familiarization programmes for Directors

The Non-Executive and Independent Directors as part of familiarization exercise are introduced to the Company's culture through orientation sessions wherein an overview of Company operations, matters relating to the values and commitments are provided along with an information kit containing documents about the Company such as annual reports, annual presentations, recent press releases, research reports, Code of Business Conduct and Ethics and the memorandum and articles of association etc. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved apart from regular presentations on Company's business strategies and associated risks, expositions are made on various topics covering the telecom industry. Visits to plant location are organized for the Non-Executive and Independent Directors to enable them to understand and get acquainted with the operations of the Company. The Company organizes a management strategy session with the Board to deliberate on various topics related to strategic alternatives, progress of ongoing strategic initiatives, risks to strategy execution and the need for new strategic programs required to achieve Company objectives.

The detailed familiarization programme for Non-Executive and Independent Directors of the Company are available in the website at https://tejasnetworks.com/policies-codes.php.

e. Directors' Responsibility Statement pursuant to the provisions contained in Section 134(3) of the Act

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Audit Committee meets periodically with the Internal Auditor and the Statutory Auditor to review the manner in which the Auditor are discharging their responsibilities and to discuss audit, internal control and financial reporting issues. To ensure complete independence, the Statutory Auditor and the Internal Auditor have full and free access to the Members of the Audit Committee to discuss any matters of substance.

Further,

- The accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed and there are no material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The financial statements have been audited by M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016, the Company's Statutory Auditor and have given unmodified opinion on the financial statements for the year ended March 31, 2023.

7. Governance

Governance is the framework that ensures that appropriate business processes and tools are in place for adherence with all the applicable obligations under various regulations across the locations where the Company conducts its business including Board structure, subsidiary performance, Code of Conduct. The Company's governance structure revolves around values based on transparency, integrity, professionalism and accountability which helps to implement the Company strategy effectively and transparently so as to deliver long-term value for the shareholders, employees, business partners and other stakeholders. Further, the Company ensures that it evolves and follows the governance guidelines and best practices diligently, not just to boost long-term shareholder value, but also to respect rights of the minority. The Company considers that it is inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership, and governance of the Company. Tejas aspires to be the benchmark for value creation and corporate citizenship and expects to realize its vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people. The Company's three-tier governance structure comprising of the Shareholders, the Board, and the Executive Management. It not only ensures greater management accountability and credibility, but also facilitates, increased autonomy to the businesses, performance discipline and development of business leaders.

a. Board and Committee Constitution

The current policy is to have an appropriate mix of Executive, Non- Executive and Independent Directors to maintain the Independence of the Board and separate its functions of governance and management. As on March 31, 2023, the Board consists of eight members with two Non-Executive and Non-Independent Directors, two Executive Directors, and four Independent Directors of which one Independent Director of the Board is a woman.

During the year ended March 31, 2023, the Company constituted the following Committees of the Board:

- Independent Directors Committee of the Board – The Committee was constituted for the purpose of making recommendations on the draft scheme of merger between Saankhya Labs Private Limited and its wholly owned subsidiary Saankhya Strategic Electronics Private Limited with the Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.
- Share Allotment Committee of the Board – The Committee was reconstituted for the purpose of issuance and allotment of equity shares on the conversion of the Warrants. The Board of Directors in their meeting held on April 21, 2023 decided to wind-up the Share Allotment Committee as the required formalities were completed for the issuance and allotment of shares.

The details of the constitution of the Board and of the Committees, the terms of reference, number of meetings held etc. are given in the Corporate Governance Report which forms part of this Annual Report.

b. Meeting of the Board/ Committees

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's / Committee's approval is taken by passing resolutions through circulation or by calling Board / Committee meetings at short notice, as permitted by law.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, seven Board Meetings and four Committee Meetings (six meetings - Nomination and Remuneration Committee and five meetings - Audit Committee) were held during the year under review, and all the Board Meeting and Committee Meeting were held in accordance with the guidelines issued by the MCA and by the SEBI. The intervening gap between any two meetings is within the period prescribed by the Act and Listing Regulations.

The details of the Board, Committee meetings and also of the 22nd Annual General Meeting and the attendance of the Directors are given in the Corporate Governance Report which forms part of the Annual Report.

c. Succession planning

The Company believes that sound succession plans for the leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee coordinates with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in Senior Management. The Company strives to maintain an appropriate balance of skills and experience within the organization in an endeavor to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts necessary financial and human resources in place so that its objectives can be met. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

d. Board Diversity

The Company recognizes and embraces the importance of a diverse Board for its success and believes that a diverse Board will leverage differences on thought perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board and is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

e. Board Evaluation

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Act and Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning,etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management; Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors and the performance of the Board and of the Committees of the Board. The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties. The details of the process of performance evaluation are given in the Corporate Governance Report which forms part of this Annual Report.

f. Board Charter / Policies

The Company has Charters for the Audit Committee, the Nomination and Remuneration Committee, the Risk Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee and also policies and codes as required which are in line with the requirements of the Act and the Listing Regulations. The details of the charter/ policies/ codes as adopted by the Board are provided in **Annexure-8** to the Board report.

g. Business Integrity and Ethics

Integrity is one of the fundamental values of the Company. The Company communicates its Code of Business Principles internally and externally. All Company employees are required to undertake mandatory annual training of the Code and which extends through the entire value chain including the employees, contractors and third parties. The Company also requires its third-party business partners to adhere to business principles consistent with its own. These expectations are set out in our Code of Conduct for Vendors/ Suppliers which is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

The Company has adopted a Code of Business Conduct and Ethics which applies to all Director, Employees, Subsidiaries and Affiliates. The Managing Director and CEO has confirmed to the Board that the Company has adopted a Code of Conduct for its employees including the Managing Director, its Non-Executive Director and Independent Directors for the year ended March 31, 2023 and has received a declaration of compliance with the Code of Conduct as applicable to them. The Annual declaration affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the year ended March 31, 2023 forms part of the Corporate Governance Report.

h. Risk Management

Risk Management is at the core of the business and ensuring that the Company has the right risk-return trade-off in line with the risk appetite which is the essence of the Company's Risk Management practices, while looking to optimize the returns that go with that risk. The Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise and these levels form the strategic defence cover of the Company's risk management. The Company has a robust organizational structure for managing and reporting on risks and proactively identifies, assesses, treats, monitors and reports risks as well as to create a risk-aware culture within the organisation and covers areas exposed to risk and also provides a structured process for management of risks and considers the risks that impact mid-term to long-term objective of the business, including those that are reputational in nature.

The Company has constituted a Risk Management Committee of the Board as required under Listing Regulations to frame, implement and monitor the Risk Management Plan of the Company and also has in place a Risk Management Policy approved by the Board. The Risk Management Policy provides oversight and sets the tone for implementing the Enterprise Risk Framework across the organization. The Risk Management Committee reviews the status of key risks, progress of Enterprise Risk Framework implementation across locations and any exceptions as flagged to it, on quarterly basis. Further, the Risk Management Committee is authorized to monitor and review risk management plan and empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. The Chief Operating Officer who is also a Chief Risk Officer is the custodian of the framework and oversight of the framework provided by Risk Management Committee of Directors. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an update to the Board on Company's risks outlined in the risk registers. The Audit Committee has additional oversight in the area of financial risks and controls.

The detailed report on Risk Management is disclosed separately in this Annual Report. The Risk Management Charter and Policy is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

i. Internal Financial controls

The Company has an Internal Financial Controls framework which commensurate with the size, scale, and complexity of the Company's operations. The Internal Financial Controls of the company have been assessed taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls of the Company Over Financial Reporting issued by The Institute of Chartered Accountants of India.

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down by the Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

The Company's internal financial control framework commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013. The Company has laid down Standard Operating Procedures and Policies to guide the operations of each of its functions. Business heads are responsible for ensuring compliance with these policies and procedures. To make the controls more robust and comprehensive, Internal Financial Control standardization and rationalization project was undertaken. This has ensured comprehensive coverage, cutting across all functions of the company. In order to reduce manual time and efforts involved in control testing, improve confidence in testing results, increase the frequency of testing and resort to full checking of the data as compared to sample testing, automation of controls was also undertaken in FY 2022- 23. The Management, Statutory Auditor and Internal Auditor have also carried out adequate due diligence of the control environment of the Company through rigorous testing.

The scope and authority of the Internal Audit function is defined in the Audit Charter. To maintain its objectivity and independence, the Independent Internal Auditor reports to the Chairman of the Audit Committee. The Independent Internal Auditor develops an Annual Audit Plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. The significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee, at its meetings, reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has independent sessions with the Statutory Auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

j. Protection of Minority Shareholders' Interests

The Company governance philosophy centers around protection of minority shareholders' interests which emphasizes fairness and transparency to all stakeholders. Further a qualified, diverse and independent Board ensures that minority shareholders' interests are protected. The Company strives to reduce information asymmetry through transparency, extensive disclosures and detailed commentary of the demand environment and the state of the business, and material developments. The Company provides a variety of channels including a structured global investor outreach program, through which minority shareholders can interact with the management or the Board. Shareholders can communicate concerns and grievances through a well-publicized channel, where complaints are tracked to closure. The Stakeholders' Relationship Committee oversees the redressal of these complaints.

k. Vigil Mechanism/ Whistle Blower Policy

Tejas believes in promoting a culture of trust and transparency and the vigil mechanism resonates with the same values. The Company has a vigil mechanism established in accordance with the Act and Listing Regulations which provides a formal channel for all its Directors, employees, business associates including customers to approach the Chairman of the Audit Committee to make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Vigil Mechanism Policies viz. the Whistleblower Policy, the Company Code of Conduct and Supplier Code of Conduct aims to provide the appropriate platform and protection for Whistle Blowers to report instances of any actual or suspected incidents of unethical practices including violation of applicable laws and regulations. The Vigil Mechanism/Whistleblower Policy is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

l. Compliance Framework

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and providing updates to Senior Management and the Board periodically. The Audit Committee and the Board of Directors periodically reviews the status of the compliances with the applicable laws. The Company complies with applicable laws, rules and regulations impacting Company's business through a Compliance Tracking Tool. Each business head updates the compliances as applicable to their functions they are heading in the compliance tool basis which are reviewed by the Compliance department of the Company as well as by the Internal Auditor on a periodic basis. The Business Heads gives the compliance certificate as applicable to their function to the Chief Compliance Officer who based on these confirmations, certifies to the Managing Director and CEO on the status of the compliances. The Managing Director and CEO, then updates the Board of the same on a quarterly basis.

m. Related Party Transaction

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the Listing Regulations. The updated Policy can be accessed on the Company's website at https://tejasnetworks.com/policies-codes.php.

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. Further, the Company has taken prior approval for all the material related party transaction with an aggregate value exceeding ₹ 1000 crore or 10% of the annual consolidated turnover of the Company, as per the latest audited balance sheet, whichever is lower.

The transactions with the related parties as per requirements of Indian Accounting Standard 24 are disclosed in Note 29.9 to the financial statements in the Annual Report. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2, is attached as **Annexure-2** to the Board's Report. The details of transaction(s) of the Company with entities belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under para A of Schedule V of the Listing Regulations are provided as part of the financial statements.

n. Micro, Small and Medium (MSME) Enterprises

The Company is not categorized as Micro, Small and Medium Enterprises (MSME) under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the MSME Act requires to register under a portal for facilitating MSME vendors. The Company has registered in the platform with Receivables Exchange of India Limited (RXIL) as a "Buyer" for MSMEs to electronically factor / discount their receivables, on a without recourse basis, at highly competitive & transparent financing terms.

o. Credit Rating

The Rating Committee of ICRA, after due consideration has reaffirmed the long-term Rating at [ICRA]A+ (pronounced ICRA A plus) ("Rating"). The Rating Committee of ICRA, after due consideration has also reaffirmed the short-term rating at [ICRA] A1+ (pronounced ICRA A one plus). Outlook on the long-term Rating is Stable. ICRA has advised that the Company in its publicity material or other document wherever the Company are using the above Ratings, it should be stated as [ICRA]A+(Stable)/[ICRA]A1+.

p. Utilisation of Funds

Regulation 32 of the Listing Regulations states that where a listed entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

During the year ended March 31, 2023, the Company has raised ₹ 1,012.50 crore through preferential issue of equity shares. (Refer note 12 (b) of Standalone financials).

The details of funds raised and utlization are as below:

in ₹ crore

Particulars	in ₹ crore
Proceeds from private placement (FY 2022)	837.50
Funds Utilized during year ended March 2022	261.17
Unutilized as on March 31, 2022 (A)	576.33
Proceeds from private placement (FY 2023) (B)	1,012.50
Funds Utilized during year ended March 2023 (C)*	1,530.38
Unutilized as on March 31, 2023 (A+B-C)	58.45

*Includes ₹ 283.94 crore towards investment in Saankhya Labs Private Limited.

q. Book Closure

For the purpose of 23rd Annual General Meeting and for the financial year ended March 31, 2023, the Register of Shareholders and Share Transfer Books of the Company will remain closed from June 13, 2023 to June 20, 2023 (both days inclusive).

r. Demat Suspense Account/Unclaimed Shares Account

The Company opened a Demat account as Tejas Networks Limited – Unclaimed Share Suspense Account with the ICICI Bank Limited and transferred all unclaimed shares into one physical folio and further dematerialized the said equity shares under a demat account. When any shareholder claims, the Company will transfer the same to his/her demat account by following the procedure as prescribed under the regulations. These shares primarily belong to the former employees of the Company and their whereabouts are not known. The Company has taken sufficient steps to inform them based on the records available with the Company to claim the same by following the procedure as prescribed under the regulations.

In terms of Regulation 39 of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Demat Suspense Account/Unclaimed shares as on March 31, 2023.

Particulars	No. of Shareholders	No. of Equity shares
Aggregate Number of Shareholders and the outstanding shares in the Suspense Account lying as on April 1, 2022	56	74,435
Less: Number of Shareholders who approached the Company for transfer of shares from suspense account	1	600
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	55	73,835

s. Reconciliation of Share Capital

The Share capital audit was carried out by a Practising Company Secretary to reconcile the total equity share capital with NSDL and CDSL and the total issued and listed equity share capital issued by the Company for the year ended March 31, 2023. The Report is available on the Company's website at www.tejasnetworks.com/reconciliation-of-share-capital-audit-report.php.

t. Annual Return

In accordance with the Companies Act 2013, a copy of the Annual Return as on March 31, 2023 in the prescribed format is available on the Company's website at www.tejasnetworks.com/disclosures.php.

u. Deposits from Public

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2023.

v. Listing and Dematerlisation of Equity Shares

The equity shares of the Company are listed in National Stock Exchange of India Limited (scrip code: TEJASNET) and BSE Limited (scrip code: 540595). For the purpose of dematerialisation of shares the company established a connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the International Securities Identification Number (ISIN) allotted under the Depository System is INE 010J01012 through Link Intime India Private Limited, our Registrar and Share Transfer Agents.

8. Material Changes and Commitments between the end of the Financial Year and Date of the Report

i. Appointment of Mr. Anand S Athreya (DIN: 10118880) as Additional Director, Executive Director *(Managing Director and CEO designate)* from April 21, 2023 to June 20, 2023 and as Managing Director and CEO from June 21, 2023 to April 20, 2028 subject to the approval of the Shareholders and Central Government.

ii. Amendment to the Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions.

Other than the above, there are no other material changes and commitments affecting financial position between the end of the financial year and date of the report.

9. Audit and Auditor

a. Statutory Auditor - M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016)

M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016) were re-appointed by the Shareholders in their 22nd Annual General Meeting for second term as the Statutory Auditor of the Company for a period of five consecutive years from the conclusion of 22nd Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company on terms and conditions as mutually agreed upon between M/s. Price Waterhouse Chartered Accountants LLP and the Company. M/s. Price Waterhouse Chartered Accountants LLP has furnished a certificate confirming their eligibility and consent for their continuance as the Statutory Auditor of the Company for FY 2024 and also in terms of the Listing Regulations, the Statutory Auditor have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The remuneration in the form of fees (excluding GST and out of pocket expenses) for the year ended March 31, 2023 to M/s. Price Waterhouse Chartered Accountants LLP as the Statutory Auditor of the Company are as follows:

in ₹ crore

Engagement	Amount
Statutory audit including limited reviews	0.59
Other audit related services	0.26
Total	0.85

Note: The above fees exclude GST and out of pocket expenses.

b. Internal Auditor

The Board based on the recommendations of the Audit Committee, has re-appointed an Independent Auditor M/s. Singhvi, Dev and Unni Chartered Accountants LLP as Internal Auditor of the Company on such terms and conditions as mutually agreed upon between M/s. Singhi, Dev and Unni, Chartered Accountants LLP and the Company, to carry out the internal audit function for FY 2024. The remuneration in the form of fees (excluding GST) for the year ended March 31, 2023 to M/s. Singhvi, Dev and Unni Chartered Accountants LLP as Internal Auditor of the Company are as follows:

in ₹ crore

Engagement	Amount
Audit fees	0.25
Other audit related service	0.00
Total	0.25

Note: The above fees exclude GST and out of pocket expenses.

c. Secretarial Auditor - Dwarakanath C, Practicing Company Secretary (FCS No. 7723 and Certificate of Practice No. 4847)

The Board based on the recommendations of the Audit Committee, has re-appointed Dwarakanath C, Practicing Company Secretary as the Secretarial Auditor of the Company on terms and conditions as mutually agreed upon between Dwarakanath C, Practicing Company Secretary and the Company, to conduct Secretarial Audit for FY 2024. The remuneration in the form of fees (excluding GST) for the year ended March 31, 2023 to Dwarakanath C, Practicing Company Secretary as the Secretarial Auditor of the Company are as follows:

in ₹ crore

Engagement	Amount
Audit fees	0.03
Other audit related services	0.03
Total	0.06

Note: The above fees exclude GST and out of pocket expenses.

d. Cost Auditor - M/s. GNV & Associates, Cost and Management Accountants (FRN - 000150)

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the re-appointment of M/s. GNV and Associates, Cost and Management Accountants in Practice as the Cost Auditor of the Company on terms and conditions as mutually agreed upon between M/s. GNV and Associates, Cost and Management Accountants and the Company, to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for FY 2024. The Cost Accounts and Records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

A resolution seeking approval of the shareholders for ratifying the remuneration payable to the Cost Auditor for FY 2024 is provided in the Notice of the ensuing Annual General Meeting.

The remuneration in the form of fees (excluding GST) for the year ended March 31, 2023 to M/s. GNV & Associates are as follows:

in ₹ crore

Engagement	Amount
Audit fees	0.02
Other audit related services	0.01
Total	0.03

Note: The above fees exclude GST and out of pocket expenses.

e. Key Audit Matters

M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditor of the Company rendered an opinion regarding the fair presentation in the financial statements of the company's financial condition and operating results. Their audits are conducted in accordance with GAAP and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion. The Statutory Auditor of the Company has issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone and Consolidated) for the year ended March 31, 2023.

The Key Audit Matters are those matters which in the opinion of the Statutory Auditor of the Company were of most significance in the Audit of the Standalone / Consolidated IND AS financial statements for the year ended March 31, 2023 and these matters were addressed in the context of the audit of the Standalone / Consolidated IND AS financial statements for the year ended March 31, 2023 as a whole. The Key Audit Matter forms part of the Audit report of Standalone / Consolidated IND AS financial statements.

10. Business Responsibility and Sustainability Report

The Securities and Exchange Board of India ('SEBI'), in May 2021 introduced new sustainability related reporting requirements to be reported in the specific format which is a notable departure from the existing Business Responsibility Report and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of environment, social and governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transition to Business Responsibility and Sustainability Reporting from FY 2022-23 onwards.

In line with the above, the Business Responsibility and Sustainability Report forms part of this report and is also available on the Company's website at www.tejasnetworks.com/disclosures.php.

11. Cyber Security

The Company believes that in the modern digital age, cyber security is not an IT/information security issue, but a business issue. The Company adopted a multidimensional approach to cyber security which enables the Company to protect the data using a multi-layered defense mechanism and a combination of tools and techniques which complement and augment each other. The processes and systems in the Company reduces the threat and to mitigate the negative financial and reputational impacts, and created an organizational culture of cyber security which consistently practices effective cyber security policies, processes and procedures including spear-phishing campaigns and cyber data breach table-top exercises.

Tejas cyber security and risk management policies and standards, are aligned to leading industry standards and regulatory requirements, provide the foundation of the cyber security program and centre around protecting the confidentiality, integrity and availability of the firm's infrastructure, resources, and information. Further, the Company ensured information system resilience and implemented and periodically tested an enterprise-wide Business Continuity Plan and Disaster Recovery Plan.

The Company is ISO27001 standard certified and our security controls are in line with this. In addition, Tejas has security tools at Gateway level and end point level, including DLP and EDR solutions as defence against cyber threats.

The cyber security governance encompasses management oversight at various levels with the ultimate responsibility assumed by the Board of Directors. The governance structure of information/cyber security risk is helmed by the Risk Committee and Audit Committee, all being Board-level Committees and chaired by Independent Directors. At the executive management level, there is a specialised Committee to review key areas of IT and cyber risk.

Tejas devotes significant resources to protecting and continuously improving the security of the systems. The Company cybersecurity and risk management policies are centred on protecting the confidentiality, integrity and availability of the firm's infrastructure, resources, and information. The Company undertakes multiple assessments of the efficacy of its security controls by internal as well as external auditor. The Company also engaged an Independent Cyber Security agency for Cyber Security Posture Assessment and the assessment report shared with the Board and Risk Committee.

12. Data Protection and Privacy

Protecting personal and financial information, and handling it responsibly, are of utmost importance to the Company. Considering the wide range of services Tejas offers, it is important to provide a safe and secure experience while using the services. Tejas always strives to assure users that their personal information is protected. To this end, data privacy, data protection, and information security form an intrinsic part of Tejas's service design across the entire lifecycle.

Tejas's privacy and security programme focuses on three key aspects of embedding security in design, effective governance and enabling organisation-wide security awareness. Tejas tries to minimize the chances of security incidents by defining and implementing a highly effective governance structure. It has implemented a holistic information security management programme to protect its business, customers, infrastructure, services, and internal users from security threats. The Company has policies (including Data Privacy Policy), standards, and processes in place.

Tejas has a formal privacy incident management process in place to respond to any suspected or actual incident involving unauthorized access to or disclosure of personal information, its availability, or an impact to its integrity. Tejas also conducts security risk assessments to evaluate and identify security flaws in services, products, and technology. It has implemented security monitoring infrastructure and effective incident detection and management processes. Suspected events are analyzed and verified for its impact on assets and organisation. The incident movement processes define the criticality level for every incident and are managed in line with documented processes.

13. COVID

Telecom being declared an essential service, the Covid–19 pandemic presented us with a situation where the Company has to ensure continuity in the services to customers while ensuring the safety and well-being of all our employees working in branches and offices at locations across the country. Ensuring Covid-19 related protocols of social distancing and sanitisation were followed across every location.The Company put mechanisms in place to ensure that emotional, medical and physical support was provided to our employees on a real-time basis.

Advisory and constant communication with employees was established and circulated to ensure that the advisory reaches every employee and gets reinforced in their behaviour. Office protocols were put in place to ensure safety of employees. Masks, sanitisation, fumigation and social distancing were made mandatory across premises. Signage and posters were displayed in various places in various offices. Maximum capacity for each of the offices were determined so that employees do not mingle with anyone outside their zones. In order to ensure a smooth commute, employees were provided with system verified and generated authorisation letters and vehicle passes, made available to them on the Company's internal app. Further, the Company reimbursed the cost of vaccination of employees and their dependents.

The Statutory Auditor has stated that 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 the financial statements, arising from COVID-19.

14. Corporate Social Responsibility

The objective of the Company's Corporate Social Responsibility initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company's Corporate Social Responsibility policy provides guidelines to conduct Corporate Social Responsibility activities of the Company. The Company addresses the societal challenges through societal development programmes and remains focused on improving the quality of life and implements its Corporate Social Responsibility programmes either individually or in association with eligible implementing agencies registered with the Ministry of Corporate Affairs which works in close collaboration with public systems and partners. Through its Corporate Social Responsibility, the Company envisions an enlightened, equitable society in which every individual realizes her/his potential with dignity through creating transformative, efficient and lasting solutions to their development challenges and is committed to act in the best interests of its stakeholders and with a sense of purpose by its involvement in socio-economic development which always been integral to the Company strategic objectives. The Company's Corporate Social Responsibility and sustainability initiatives and practices covers various activities in the field of education, healthcare and communities, ecology and environment, etc.

In pursuance of the Corporate Social Responsibility Policy and in line with the requirement of the Companies Act, 2013, every company has to spend 2% of the average net profits of the Company for the preceding three years towards the Corporate Social Responsibility activities as stated in the Companies Act, 2013. In view of the average net loss before tax for the last 3 years being ₹ 36.09 crore based on the computation as per Section 135 of the Companies Act, 2013, there is no obligation or requirement for the Company to make a CSR contribution for the financial year 2022-2023. The Corporate Social Responsibility policy is available on the Company's website at www.tejasnetworks.com/policies-codes.php. The Annual Report on the CSR activities in the format prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in **Annexure-5** to this Report.

15. Green Initiatives

Electronic copies of the Annual report for the year 2023 and the Notice of the 23rd Annual General Meeting are sent only to Shareholders whose email addresses are registered with the Company/ depository participant(s). To support the "Green Initiative", Shareholders who have not registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronics form and with RTA in case the shares are held by them in physical form.

16. Cautionary Note

Certain statements in this report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy and our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, changes in the laws and regulations that apply to the industry in which the Company operates.

The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

17. Acknowledgement

The Board place on record its thanks to its customers, vendors, investors, bankers, financial institution, employees and all other stakeholders for their continued support during the year. The Board places on record our appreciation of the contribution made by the employees at all levels as the Company consistent growth was made possible only by their hard work, solidarity, cooperation and support.

The Board also places on record its thanks to the Government of various countries where we operate. Tejas thanks the Government of India particularly the Ministry of Labour and employment, the Ministry of Communications, the Ministry of Electronics and Information Technology, the Ministry of Commerce and Industry, the Ministry of Finance, the Ministry of Corporate Affairs, the Central Board of Direct Taxes, the Central Board of Indirect Taxes and Customs, the Reserve Bank of India (RBI), the Securities Exchange Board of India (SEBI), the various departments under the state government and union territories and other government agencies for their support and look forward to their continued support in the future.

	Sd/-	Sd/-
	N. Ganapathy Subramaniam	Sanjay Nayak
Bengaluru	Chairman	Managing Director and CEO
April 21, 2023	(DIN:07006215)	(DIN: 01049871)

Annexure – 1

FORM NO. AOC -1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(in ₹ crore except % of shareholding)

Name of the Subsidiary	Financial period ended	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend	% of share holding
Tejas Communication Pte Ltd. Singapore	April 01, 2022 to March 31, 2023	USD	16.90	3.23	26.74	6.61	0.27	19.87	1.10	(0.02)	1.12	-	100%
Saankhya Labs Private Limited	July 01, 2022 to March 31, 2023	INR	8.70	71.75	136.02	55.57	7.84	46.46	(31.08)	(10.05)	(21.03)	-	64.40%
Saankhya Inc	July 01, 2022 to March 31, 2023	USD	10.27	(9.30)	3.87	2.90	-	2.84	(0.97)	-	(0.97)	-	64.40%
Saankhya Strategic Electronics Private Limited	July 08, 2022 to March 31, 2023	INR	0.10	0.42	0.52	-	-	0.28	(0.37)	0.03	(0.40)	-	64.40%

Notes:

1. The annual accounts of the Subsidiary Companies and the related detailed information is made available on the website at www.tejasnetworks.com/financial-information-subsidiaries.php
2. Details of reporting currency and the rate used in the preparation of consolidated financial statements.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in ₹)	Closing Rate (in ₹)
Tejas Communication Pte Ltd.	USD	80.57	82.17
Saankhya Inc.	USD	81.53	82.17

3. Names of subsidiaries which are yet to commence operations: Tejas Communications (Nigeria) Limited (a subsidiary of Tejas Communication Pte Ltd) is yet to commence its operations.
4. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

The Company does not have any Associate or Joint Ventures Companies.

For and on behalf of the Board of Directors

Sd/-
N. Ganapathy Subramaniam
Chairman
(DIN:07006215)

Sd/-
Sanjay Nayak
Managing Director and CEO
(DIN:01049871)

Sd/-
Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

Bengaluru
April 21, 2023

Sd/-
Arnob Roy
COO and Whole-time Director
(DIN:03176672)

Sd/-
Venkatesh Gadiyar
Chief Financial Officer

Sd/-
N R Ravikrishnan
General Counsel, Chief Compliance Officer and Company Secretary

Annexure – 2

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.
2. **Details of material contracts or arrangements or transactions at arm's length basis**
   The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

(in ₹ crore)

Name of related party	Nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts /arrangements /transactions	Salient terms[1]	Amount
Tejas Communication Pte. Limited	Wholly-owned subsidiary	Sale of Goods	Ongoing	Purchase order	7.23
		Rendering of Services	Ongoing	Purchase order	0.56
		Purchase of goods	Ongoing	Purchase order	9.95
		Reimbursement of expenses	Ongoing	At actuals / cost	21.46
Tata Play Broadband Pvt Ltd	Subsidiary of Joint Venture of Ultimate Holding Company	Sale of Goods	Ongoing	Purchase order	4.80
Tata Advanced Systems Limited	Subsidiary of ultimate holding company	Sale of Goods	Ongoing	Purchase order	0.00*
Tata Communications Limited	Subsidiary of holding company	Sale of Goods	Ongoing	Purchase order	78.79
		Rendering of Services	Ongoing	Purchase order	7.55
		Receiving of Services	Ongoing	Service Agreement	0.18
Tata Consultancy Services Limited	Subsidiary of ultimate holding company	Sale of Goods	Ongoing	Purchase order	10.82
Tata Teleservices (Maharashtra) Limited	Subsidiary of ultimate holding company	Sale of Goods	Ongoing	Purchase order	12.04
		Rendering of Services	Ongoing	Purchase order	1.48
		Receiving of Services	Ongoing	Service Agreement	0.00*
Tata Teleservices Limited	Subsidiary of ultimate holding company	Receiving of Services	Ongoing	Service Agreement	0.06

Tata Communications Lanka Limited	Step-down subsidiary of holding company and subsidiary of Tata Communications Limited	Rendering of Services	Ongoing	Purchase order	0.02
Tata Communications (France) SAS	Step-down subsidiary of holding company and subsidiary of Tata Communications Limited	Sale of Goods	Ongoing	Purchase order	0.34
Saankhya Labs Private Limited	Subsidiary company	Investment in Equity shares Other Income Reimbursement of expenses Restricted Stock Unit Charge	Ongoing Ongoing Ongoing Ongoing	As per Securities Subscription Agreement Service Arrangement Service Arrangement As per Securities Subscription Agreement	283.94 0.06 0.10 29.27
Tata Autocomp Systems Limited	Subsidiary of ultimate holding company	Purchase of Goods/ assets	Ongoing	Purchase order	5.29
Darwinbox Digital Solutions Private Limited	Entity where a Director is interested	Professional charges	Ongoing	Service Agreement	0.20
Tata AIG General Insurance Company Limited	Subsidiary of ultimate holding company	Receiving of Services	Ongoing	Service Agreement	0.04
Tejas Networks Limited Employees Group Gratuity Fund Trust	Post-employment benefit plan	Employee benefit	Ongoing	As per actuarial report	9.32
Tata Steel Limited	Associate of ultimate holding company	Training and Development	Ongoing	Service Agreement	0.01
The Indian Hotels Company Limited	Associate of ultimate holding company	Travel cost	Ongoing	Service Agreement	0.04
Housing Development Finance Corporation Limited	Entity where a Director is interested	Interest on deposits with Financial Institution	Ongoing	Service Agreement	1.26
Mahindra & Mahindra Financial Services Limited	Entity where a Director is interested	Interest on deposits with Financial Institution	Ongoing	Service Agreement	0.60
Panatone Fininvest Limited	Holding company	Issue of equity shares	One time	As per Securities Subscription Agreement	1,012.50

[1]Appropriate approvals have been taken for related party transactions.
*Amount below rounding off norm adopted by the Company.

Sd/-
N. Ganapathy Subramaniam
Chairman
(DIN:07006215)

Sd/-
Sanjay Nayak
Managing Director and CEO
(DIN: 01049871)

Bengaluru
April 21, 2023

Annexure – 3

Information pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

Particulars of Energy Conservation, Research and Development, Technology absorption and Foreign exchange earnings and outgo required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

The steps taken or impact on conservation of energy;	• Energy efficient LED lighting are been used in the facility. • Lift operation is scheduled to ensure minimum power consumption
The steps taken by the Company for utilizing alternate sources of energy;	As an environmentally responsible company, we envision a world where sustainability, equity, innovation, and collaboration intersect to create a cleaner, greener, and more just planet for all. We are committed to taking bold and decisive action to realize this vision and pave the way towards a sustainable future by adopting global best practices in Environmental, Social and Governance (ESG) areas and ensure long-term value creation for all stakeholders. We have plans to use full solar power generation for our manufacturing facility in Bangalore, which will be commissioned during FY24.
The capital investment on energy conservation equipment;	During year under review, the Company had not made significant investment on the energy conservation equipment as the same were not warranted.

(B) Technology Absorption

i. Tejas products are developed with high domestic value-addition through indigenous R&D, in-house IPR creation and local manufacturing. We have a strong commitment to R&D and over 50% of our employees are engaged in R&D activities. Today, all large private telecom operators, telecom PSUs and utilities use Tejas products in their pan-India networks in lieu of imported equipment from foreign multinational companies thereby realizing valuable foreign exchange savings for the country. Tejas is the leading domestic supplier of optical and data networking products for various government projects of national importance, having security/strategic implications such as Bharatnet, defence networks and smart cities. As one of the leading innovators in India's ICT sector, Tejas, along with its subsidiary Saankhya Labs, has filed 445 patent applications and generated 330+ semiconductor IPs that underpin our wide range of home-grown telecom products. In addition, Tejas is actively contributing to global 5G standards through its work in India's telecom standards organization (TSDSI) thereby ensuring that Indian requirements are effectively captured in all emerging telecom standards.

Tejas R&D team significantly expanded its leading-edge wireline and wireless products in FY 2023:

- Enhanced its GPON/XGS-PON OLT and ONT products for delivering multi-gigabit broadband services.
- Upgraded DWDM and OTN products to support multi-terabit transmission and switching.
- Incorporated advanced IP routing features on our packet transport products.
- Commercialized a world-class 4G/5G RAN (Radio Access Network) product for mobile broadband services

ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)–

(a)	the details of technology imported	Nil
(b)	the year of import;	Nil
(c)	whether the technology been fully absorbed	Nil
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil

The Company continuously evaluates new technologies and invests for making infrastructure more energy efficient. The Company has identified thought leadership areas in knowledge management and collaborative commerce which will in turn help product enhancements and building collaborative commerce across various platforms.

(C) Research & Development (R&D)

The Board understands that the overall success of the Company lies in its R&D efforts. Therefore, continuous R&D investments will be made to enhance designs, hardware optimizations, new technology development and adoption, re-engineering, etc. in the areas that the Company is involved.

Expenditure on R&D for the year ended March 31, 2023 and March 31, 2022 towards development of the Company's products is as follows:

in ₹ crore

Particulars	Standalone	
	2023	2022
Capital Expenditure*	218.31	84.41
Revenue expenditure	78.33	51.60
Total R & D expenditure	296.64	136.01
Total R&D expenditure/ Standalone Revenue from operations (%)	34.13%	24.77%

*Capital expenditure includes R&D manpower salaries/wages towards product development amounting to ₹ 150.33 (March 31, 2022: ₹ 79.63) and ₹ 9.06 (March 31, 2022: NIL) towards cost of technical services. For eligible R&D expenditure refer note 29.7 of standalone financial statements.

(D) Foreign Exchange earnings & outgo

in ₹ crore

Particulars	Standalone	
	2023	2022
Foreign exchange earnings	208.83	244.41
Foreign exchange outgo	625.68	368.10

Annexure – 4

Secretarial Audit Report - for the financial year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Shareholders
Tejas Networks Limited
(CIN L72900KA2000PLC026980)
J P Software Park, Plot No 25,
Sy. No.13,14,17,18 Konnapana Agrahara Village,
Begur Hobli, Bengaluru - 560100

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tejas Networks Limited ("Company").** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 **("Audit Period")**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for Audit Period, according to the provisions of:

(i) The Companies Act, 2013 and the rules made there under ("Act");

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under ("FEMA") to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [The Company has not raised any External Commercial Borrowings during the Audit Period];

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :

a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
d. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable during the audit period;
g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable during the audit period;
i. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable during the audit period; and

(vi) Other laws informed by the management of the Company as applicable to the Company.

Further, I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc., mentioned above and filed requisite forms and returns with in the due date except for an instance where they have filed beyond due date, with additional fee and the same were approved by the Ministry of Corporate Affairs.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are passed with requisite approvals, as recorded in the minutes.

I further report that:

- there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the audit period, the Company has acquired majority stake i.e., 64.40% in Saankhya Labs Private Limited ("Saankhya"), a private limited company holding CIN: U72200KA2006PTC041339 and having its' registered office situated at 3rd Level, Mezaninne Floor, No.3, Infantry Road, Vasanth Nagar, Embassy icon Building Bengaluru-560001,

making Saankhya it's majority owned subsidiary and secretarial audit was conducted for Saankhya for the financial year 2022-23.

– During the audit period, the Company has approved the draft Scheme of Amalgamation with Saankhya Labs Private Limited ("Saankhya") and its' subsidiary Saankhya Strategic Electronics Private Limited ("SSE") in the Board meeting of the Company held on 29th September 2022 and the same is pending for in-principle approvals from Stock Exchange Board of India ("SEBI").

– During the audit period, the Company has allotted 14,95,363 (Fourteen Lakhs Ninety-Five Thousand Three Hundred and Sixty-Three) shares upon exercise of options under various Employee Stock Option Plans of the Company.

– During the audit period, the Company has granted 27,07,660 (Twenty-Seven lakhs Seven Thousand Six Hundred and Sixty) Restricted Stock Units under RSU 2017 and RSU 2022 plan to eligible employees of the Company and its' subsidiaries.

– During the audit period, the Company has allotted 5,23,25,582 (Five Crore Twenty-Three Lakhs Twenty-Five Thousand Five Hundred and Eighty-Two) to Panatone Finvest Limited, a majority shareholder/ Promoter, upon exercise of warrants as per the Securities Subscription Agreement entered between the parties.

Bengaluru
April 21, 2023

Sd/-
C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN - F007723E000197211

Note: This report is to be read with my letter of even date which is annexed as Annexure-1 hereto and forms an integral part of this report.

Annexure - 1 to Secretarial Audit Report

To
The Shareholders
Tejas Networks Limited
(CIN L72900KA2000PLC026980)
J P Software Park, Plot No 25,
Sy. No.13,14,17,18 Konnapana Agrahara Village,
Begur Hobli, Bengaluru - 560100

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc., is the responsibility of the management of the Company. My examination was limited to the verification of procedures on random test basis.

5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

Bengaluru
April 21, 2023

Annexure – 5

Corporate Social Responsibility

Businesses cannot be successful when the society around them fails and CSR isn't a particular programme but a concept, it's what we do every day, maximising positive impact whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. Tejas relentless pursuit has always been to not just become a leading telecom networking Company but also one that cares for society and its mission is to build an inclusive society and to make a meaningful difference to the community around us. Tejas partners with its stakeholders to create shared benefit by generating economic value, community investment and optimally utilizing the resources which are an integral part of our stakeholder engagement initiatives.

1. Brief outline on CSR Policy of the Company.

Tejas has adopted CSR initiatives so as to attain sustained economic performance, environmental and social stewardship. The Company engages with society beyond business as it believes a good business needs to create higher impact in building a better future for communities in its environment. The Company works towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating abandoned women and children, and preserving Indian art and culture. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations. The CSR activities shall be undertaken within the territory of the Republic of India, and the Company shall give preference to the local area/ areas around which it operates, for spending the amount earmarked for CSR activities.

Tejas' CSR activities will focus on:

- **Hunger, Poverty Malnutrition and Health:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation, Disaster Management and making available safe drinking water.
- **Education:** Promoting and engaging in deep and meaningful systemic work in the area of school and college education including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, livelihood enhancement projects, contributing towards improving the infrastructure of schools by building additional classrooms and other infrastructure (such as public libraries), providing study and play materials, and providing special care to introduce digital technology in primary and secondary education for improving quality of education.
- **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, and conservation of natural resources and maintaining the quality of soil, air and water.
- **National Heritage, Art and Culture:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries and promoting and developing traditional arts and handicrafts.

2. Composition of CSR Committee as on March 31, 2023:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prof. Bhaskar Ramamurthi#	Chairman, Independent	4	4
2	Alice G Vaidyan*	Member, Independent	Not applicable	
3	Arnob Roy	Member, Non-Independent	4	4
4	Amb. Leela K Ponappa^	Chairperson, Independent	4	4

#Appointed wef February 16, 2023 *Appointed wef March 29, 2023 ^Retired wef February 16, 2023

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

The Composition of the CSR Committee, CSR Policy as approved by the Board of the Company is available on the website at www.tejasnetworks.com/policies-codes.php

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

In view of the average net loss before tax for the last 3 years having been ₹ 36.09 crore based on the computation as per Section 135 of the Companies Act, 2013, there is no obligation or requirement for the Company to make a CSR contribution for the financial year 2022-2023.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	Nil	Nil	Nil

6. Average net profit/loss of the company as per section 135(5) - The average net loss before tax for the last 3 years is ₹ 36.09 crore based on the computation as per Section 135 of the Companies Act, 2013.

7. (a) Two percent of average net profit of the company as per section 135(5)	Nil
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c) Amount required to be set off for the financial year, if any	Nil
(d) Total CSR obligation for the financial year ended March 31, 2023 (7a+7b- 7c)	Nil

8. a) CSR amount spent or unspent for the financial year ended March 31, 2023

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil	Nil	Nil	Nil	Nil	Not applicable

b) Details of CSR amount spent against ongoing projects for the financial year ended March 31, 2023:

1	2	3	4	5		6	7	8	9	10	11	
Sl No	Name of the Project	Item from the list of ac-tivities in Sched-ule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implemen-tation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

c) Details of CSR amount spent against other than ongoing projects for the financial year ended March 31, 2023:

1	2	3	4	5		6	7	8	
Sl no	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

d) Amount spent in Administrative Overheads - Nil

e) Amount spent on Impact Assessment, if applicable - Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Nil

g) Excess amount for set off, if any - Nil

Sl No.	Particular	Amount (in ₹)
1	Two percent of average net profit of the company as per Section 135(5)	Nil
2	Total amount spent for the Financial Year	Nil
3	Excess amount spent for the financial year [(ii)-(i)]	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
1				Name of the Fund	Amount (in ₹)	Date of transfer.	
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Not applicable

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

In view of the average net loss before tax for the last 3 years having been ₹ 36.09 crore based on the computation as per Section 135 of the Companies Act, 2013, there is no obligation or requirement for the Company to make a CSR contribution for the financial year 2022-2023.

Bengaluru
April 21, 2023

Sd/-
Prof. Bhaskar Ramamurthi
Chairman, CSR Committee

Sd/-
Sanjay Nayak
Managing Director and CEO

Certification by the Chief Financial Officer for the year ended March 31, 2023

I, Venkatesh Gadiyar, Chief Financial Officer of Tejas Networks Limited hereby confirm that based on the computation as per Section 135 of the Companies Act, 2013, the Company is not required nor obligated to make 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 was ₹ 36.09 crore.

Further, I confirm as follows:

- The Corporate Social Responsibility Committee (the "CSR Committee") duly constituted in accordance of Section 135 of the Companies Act, 2013 consisting of three directors of which two are independent director with the Chairman of the Committee being an Independent Director.
- For the purpose of determining the CSR contribution, the calculation of Net Profits does not contain any profit arising from any overseas branch or branches of the Company nor any dividend received from other Companies in India.

Bengaluru
April 21, 2023

Sd/-
Venkatesh Gadiyar
Chief Financial Officer

Annexure – 6

Details of ESOP / Restricted Stock Unit Plan

1. Tejas Networks Limited 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 ESOP Plan 2014 is compliant with the SEBI Regulations and the Act.

The details of the ESOP Plan 2014 as on March 31, 2023 are given below:

ESOP Plan 2014	
Options granted	69,26,635
Options vested	68,78,563
Options exercised	60,60,094
Total number of shares arising as a result of exercise of option	60,60,094
Options lapsed	1,17,368
Exercise price	₹ 65/-
Variation of terms of options	Pursuant to a resolution of the Board of Directors dated March 2, 2016 and a resolution of the Shareholders dated March 28, 2016, the size of the ESOP pool was amended. Further, pursuant to a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2014 was amended in order to ensure compliance with the SEBI Regulations. Further, amendments were made to the definitions of 'employee', 'promoter', 'promoter group' and 'independent director' to ensure compliance with the SEBI ESOP Regulations and the Act.
Money realized by exercise of options	₹ 39.39 crore
Total number of options in force	7,49,173
Employee wise details of options granted to: (i) Key managerial personnel	No options were granted to the KMP's during the year
(ii) Any other employee who receives a grant of options amounting to 5% or more of options granted during the year.	Nil
(iii) Identified employees who were granted option equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

2. Tejas Networks Limited 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. ESOP Plan 2014-A is compliant with the SEBI Regulations and the Act.

The details of the ESOP Plan 2014-A as on March 31, 2023 are given below:

ESOP Plan 2014-A	
Options granted	19,78,215
Options vested	19,03,847
Options exercised	12,78,899
Total number of shares arising as a result of exercise of option	12,78,899
Options lapsed	1,44,475
Exercise price	₹ 85/-
Variation of terms of options	Pursuant a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2014-A was amended in order to ensure compliance with the SEBI Regulations. Further, amendments were made to the definitions of 'employee', 'promoter', 'promoter group' and 'independent director' to ensure compliance with the SEBI ESOP Regulations and the Act.
Money realized by exercise of options	₹ 10.87 crore
Total number of options in force	5,54,841
Employee wise details of optionsgranted to: (i) Key managerial personnel	No options were granted to the KMP's during the year
(ii) Any other employee who receives a grant of options amounting to 5% or more of options granted during the year.	Nil
(iii) Identified employees who were granted option equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

3. Tejas Networks Limited 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 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 2016, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2016). The aggregate number of Equity Shares, which may be issued under ESOP 2016, shall not exceed 50,00,000 Equity Shares. The ESOP plan 2016 is compliant with the SEBI Regulations and the Companies Act, 2013.

The details of the ESOP Plan 2016 as on March 31, 2023 are given below:

ESOP Plan 2016	
Options granted	26,26,415
Options vested	24,53,694
Options exercised	15,91,905
Total number of shares arising as a result of exercise of option	15,91,905
Options lapsed	3,25,730
Exercise price	Weighted average exercise price of options granted - ₹ 96.19/-
Variation of terms of options	Pursuant to a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2016 was amended in order to ensure compliance with the SEBI Regulations. Further, amendments were made to the definitions of 'employee', 'promoter', 'promoter group' and 'independent director' to ensure compliance with the SEBI ESOP Regulations and the Act.
Money realized by exercise of options	₹ 15.83 crore
Total number of options in force	7,08,780
Employee wise details of options granted to: (i) Key managerial personnel	No options were granted to the KMP's during the year
(ii) Any other employee who receives a grant of options amounting to 5% or more of options granted during the year.	Nil
(iii) Identified employees who were granted option equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

4. Tejas 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. The Plan provides alternatives to grant stock units incentives such as RSU's and subject to applicable laws and conditions for exercise, the Eligible Employees shall be entitled to receive equity shares on exercise of such RSU's. The total number of RSU's to be granted to the Eligible Employees under RSU Plan 2017 shall not exceed 30,00,000 (Thirty Lakhs) Equity Shares. The RSU Plan 2017 is compliant with the SEBI Regulations and the Act.

The details of the RSU Plan 2017 as on March 31, 2023 are given below:

RSU Plan 2017	
RSU granted	32,38,830
RSU vested	19,03,014
RSU exercised	13,59,512
Total number of shares arising as a result of exercise of RSU	13,59,512
RSU lapsed*	5,17,030
Exercise price	₹ 10/-
Variation of terms of RSU	Nil
Money realized by exercise of RSU	₹ 1.36 crore
Total number of units in force	13,62,288
Employee-wise detail of RSU's granted to: (i) Key managerial personnel	Nil
(ii) Any other employee who receives a grant of RSU amounting to 5% or more of RSU granted during the year.	Nil
(iii) Identified employees who were granted RSU equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

Note: The Company does not intend to grant further ESOPs to employees as it had formulated the Restricted Stock Unit Plan.

RSU vesting is based on company and individual performance.

**a. RSU's lapsed indicate units which did not vest due to individual/ Company performance and discontinuation of employment.*

b. RSU lapsed can be re-issued and will form part of RSU pool to be granted.

5. Tejas 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 has adopted RSU Plan 2022. The Plan provides alternatives to grant stock units incentives such as RSU's and subject to applicable laws and conditions for exercise, the Eligible Employees shall be entitled to receive equity shares on exercise of such RSU's. The total number of RSU's to be granted to the Eligible Employees under RSU Plan 2022 shall not exceed 50,00,000 (Fifty Lakhs) Equity Shares. The RSU Plan 2022 is compliant with the SEBI Regulations and the Act.

The details of the RSU Plan 2022 as on March 31, 2023 are given below:

RSU Plan 2017	
RSU granted	25,24,960
RSU vested	Nil
RSU exercised	Nil
Total number of shares arising as a result of exercise of RSU	Nil
RSU lapsed*	29,500
Exercise price	₹ 10/-
Variation of terms of RSU	Nil
Money realized by exercise of RSU	Nil
Total number of units in force	24,95,460
Employee-wise detail of RSU's granted to: (i) Key managerial personnel	Sanjay Nayak 60,000 Arnob Roy 54,000 Venkatesh Gadiyar 20,000 N R Ravikrishnan 4,500
(ii) Any other employee who receives a grant of RSU amounting to 5% or more of RSU granted during the year.	Nil
(iii) Identified employees who were granted RSU equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

RSU vesting is based on company and individual performance.

**a. RSU's lapsed indicate units which did not vest due to individual/ Company performance and discontinuation of employment.*

b. RSU lapsed can be re-issued and will form part of RSU pool to be granted.

Annexure – 7

Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2023 is given below:

a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2023:

Non-Executive Directors/ Independent Directors	Ratio to the median remuneration
Balakrishnan V[2]	-
Dr. Gururaj Deshpande[3]	-
Amb. Leela K Ponappa	1.35
Chandrashekhar Bhaskar Bhave	1.39
N Ganapathy Subramaniam[4]	-
A S Lakshminarayanan[4]	-
P R Ramesh[5]	0.86
Prof. Bhaskar Ramamurthi[5]	0.86
Alice G Vaidyan[5]	-

Executive Directors	Ratio to the median remuneration
Sanjay Nayak[1]	24.69
Arnob Roy[1]	17.46

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary for the financial year ended March 31, 2023

Directors, Chief Executive Officer, Chief Financial Officer, and Company Secretary	Percentage of increase in remuneration in the financial year
Balakrishnan V[2]	-
Dr. Gururaj Deshpande[3]	-
Amb. Leela K Ponappa	16.00%
Chandrashekhar Bhaskar Bhave	15.38%
N Ganapathy Subramaniam[4]	-
A S Lakshminarayanan[4]	-
P R Ramesh[5]	-
Prof. Bhaskar Ramamurthi[5]	-
Alice G Vaidyan[5]	-
Sanjay Nayak[1]	38.24%
Arnob Roy[1]	38.02%
Venkatesh Gadiyar, Chief Financial Officer[1]	37.36%
N R Ravikrishnan, Company Secretary[1]	28.14%

Notes:

- Sitting fees paid to Directors has been excluded for the purpose of calculation of remuneration.
- Since the remuneration is only for part of the year except for the directors not eligible for the same as per note 3 and 4 mentioned in this section, the percentage increase in remuneration is not comparable and hence, not stated.
- Median remuneration computation is based on a total permanent employee headcount of 1,305 of the company as on March 31, 2023.

[1]For computations of increase and ratios, remuneration has been considered based on actual payment for the respective years and excluded the perquisites arising out of exercise and cost of ESOP / RSU grant made during the year.

[2]Balakrishnan V resigned as a member of board as on April 22, 2022 and there was no remuneration for FY 23.

[3]As a policy, Dr. Gururaj Deshpande, Non-Executive and Non-Independent Director has not been paid commission from the Company and resigned as a member of board as on June 28, 2022.

[4]In line with the internal guidelines of the Tata Group of Companies, no payment is made towards commission to the Non-Executive Directors of the Company, who are in employment with any other Tata Group of Companies. Accordingly, no commission is paid to N. Ganapathy Subramaniam and A S Lakshminarayanan, Non-Executive and Non-Independent Directors who are employed in the executive position in other Tata Group of Companies.

[5]P R Ramesh and Prof Bhaskar Ramamurthi were appointed on June 27, 2022 and Alice G Vaidyan on March 29, 2023, no remuneration was paid to them for the year 2021-22. Hence the percentage of increase in remuneration is not applicable.

c) For the financial year ended March 31, 2023 the median remuneration of employees decreased by 11.33%, since during the year significant number of new headcount additions were done in the entry/fresher level.

d) The average percentage increase in salaries excluding KMP for the financial year was 34.76% and the average increase in salaries for KMP was 36.84%. The average percentage increases were higher during the year because higher variable payout was made during financial year 2022-23, as compared to the previous year. Increases in base salary for employees in various categories was done based on market trends and performance criteria.

e) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the shareholders excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the corporate@tejasnetworks.com.

Annexure – 8

Board Governance Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires adoption of certain Policies /Codes/Charters for all listed companies. These Policies /Codes/Charters are reviewed periodically by the Board based on the requirements. In line with this, the Board during the year under review has revised certain Policies /Codes/Charters

The policies that were adopted by the Board are as follows:

Name of the Policy /Codes/ Charters	Brief Description	Web link
Risk Management Policy	The Policy encompasses policies and procedures relating to the risk management mechanism of the Company.	www.tejasnetworks.com/main-control/download/Risk-assessment-and-Management-and-mitigation-policy-and-procedures.pdf
Policy on Archival and Preservation of Documents	The policy deals with the retention and archival of records of the Company.	www.tejasnetworks.com/main-control/download/Document-rentension-and-Archival-Policy.pdf
Policy on Material subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	www.tejasnetworks.com/main-control/download/Policy-on-determing-material-subsidiaries.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to contribute to the sustainable development of the society and environment and to make our planet a better place for future generations. The policy was revised and adopted effective September 08, 2021.	www.tejasnetworks.com/main-control/download/CSR-Policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director (Executive / Non-Executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other employees. The policy was revised and adopted effective July 21, 2021.	www.tejasnetworks.com/main-control/download/NRC-Policy.pdf
Whistle Blower Policy and Vigil Mechanism	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behaviour.	www.tejasnetworks.com/main-control/download/Whistle-blower-Policy.pdf
Policy on Board Diversity	The policy sets out a framework to promote diversity on Company's Board of Directors.	www.tejasnetworks.com/main-control/download/Policy-on-Board-diversity.pdf
Policy for Determining Material Related Party Transaction	The Policy is to determine the 'materiality' of Related Party Transaction and to provide a governance framework thereof. The policy was revised and adopted effective April 22, 2022.	www.tejasnetworks.com/main-control/download/Policy-for-determining-Related-Party-transaction.pdf

Name of the Policy /Codes/ Charters	Brief Description	Web link
Dividend Distribution Policy	This policy sets out the parameters and circumstances including external and internal factors and financial parameters that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend and also the circumstances under which the Shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized.	www.tejasnetworks.com/main-control/download/Dividend-Distribution-Policy.pdf
Policy for determining Material events	The Policy is to determine the materiality of events / information of the Company for the purpose of disclosure to the stock exchanges on which the Company's shares are listed and to provide frame work relating to disclosure of such information.	www.tejasnetworks.com/main-control/download/policy-for-determining-material-events.pdf
Code of Conduct and Ethics	This Code shall provide, inter alia, a guide for professional conduct for all the Directors and Employees and to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning and in compliance with the applicable laws.	www.tejasnetworks.com/main-control/download/Code-of-Conduct-and-Ethics.pdf
Code of Conduct for Insider Trading	The policy provides the framework in dealing securities of the Company.	www.tejasnetworks.com/main-control/download/code-of-conduct-under-sebi-pit.pdf
Code of practices and procedures for fair disclosure of Unpublished price sensitive information	The Code ensures timely and adequate disclosure of Unpublished Price Sensitive Information as defined in Regulation 2(n) of the Regulations ("Unpublished Price Sensitive Information" or "UPSI by the Company, its subsidiaries and associates and other stakeholders.	www.tejasnetworks.com/main-control/download/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf
Code of conduct for intermediaries and fiduciaries	The Code regulates and monitors the trades executed by the Designated Persons in order to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015. This is applicable to all designated persons and their immediate relative as defined in this Code in respect of trading in Securities of the Company.	www.tejasnetworks.com/main-control/download/code-of-conduct-for-intermediaries-and-fiduciaries.pdf
Supplier Code of Conduct	This Code seeks to establish Tejas' expectations from its suppliers in relation to the ethical, social and environmental risks, opportunities & working conditions that the supplier provides to its employees.	https://www.tejasnetworks.com/main-control/download/supplier-code-of-conduct.pdf

Annexure – 9

Disclosures

The following disclosures are made to the extent applicable to the Company for the year ended March 31, 2023:

The Board

- The composition and constitution of the Board is in accordance with the requirements of the Companies Act, 2013 and Listing Regulations.
- The offices held by the Directors are in compliance with the Companies Act, 2013 and the Listing Regulations.
- There are no inter-se relationships between the Board members.
- None of the Directors on the Board are members of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director as required under Regulation 26 (1) of the Listing Regulations.
- None of the Independent Directors on the Board is an Independent Director in more than seven listed Companies as required under Regulation 25 (1) of the Listing Regulations.
- All the Directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them.
- The Board of Directors of the Company have not been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board / Ministry of Corporate Affairs or any such Statutory Authority as per the Listing Regulations.
- The appointment of the Directors on the Board is based on the recommendation of the Nomination and Remuneration Committee and approved by the Board, subject to the approval of the Shareholders and is in line with the Statutory requirements of the Companies Act, 2013, Listing regulations, Company policy and employment contracts as entered into.
- The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration policy of the Company, Statutory Regulations and as approved by the Board and the Shareholders.
- The annual remuneration payable to a single Non-executive Director does not exceed 50% of the total annual remuneration payable to Non-executive Director.
- The Company has received necessary declaration from each Independent Director of the Company stating that they meet the criteria of Independence as laid down in the Companies Act, 2013 and in the Listing Regulations and that as on April 1, 2023, the Independent Directors have not been debarred or disqualified from being appointed or continuing as Directors of the Company by the Ministry of Corporate Affairs or any such statutory authority as mentioned in the Listing Regulations.
- The Independent Directors are paid remuneration by way of Sitting fees, Commission and are also reimbursed any out of pocket expenses incurred by them for the purpose of attending meetings of the Board and its Committees.
- The Independent Directors are not granted Stock Options/ Restricted Stock Units under the existing Employee Stock Options scheme/ Restricted Stock Unit Plan of the Company.
- The Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee(s) of the Company.as applicable.
- Except Balakrishnan V, none of the other Independent Directors of the Company had resigned before the expiry of their respective tenure(s). Balakrishnan V has resigned before the expiry of his term, consequent to the change of control and his other commitments.
- The Independent Directors have submitted a declaration stating that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties.
- The Independent Directors have also submitted a declaration in compliance with the Companies (Appointment and Qualification of Directors) Rules, 2014, regarding the requirement relating to enrollment in the Data Bank created by MCA for Independent Directors.
- No changes or amendments have been carried out in the policy on Director appointment and remuneration for the year under review.

Financial Statements

- All the recommendations made by all the Committees of the Board including Audit Committee and which requires the Board approval and adoption were duly adopted and approved by the Board.
- The Company has adopted all the applicable IND-AS and the adoption was carried out in accordance with applicable transition guidance.
- The financial results for the year ended March 31, 2023 do not contain any false or misleading statement or figures and do not omit any material statements which may make the statements or figures contained therein misleading.
- The Accounting Software used for maintaining the financial statements including Books of Accounts and other relevant papers are in electronic mode and the said software has the features of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made with audit trail feature not been tampered with or disabled and the audit trail has been preserved by the company as per the statutory requirements for record retention.
- The Financial statements have been prepared in accordance with Indian Accounting Standards (IND- AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions.

Related party transactions

- The Company has not entered into any materially significant related party transactions with its Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- The Company has received disclosures from the senior managerial personnel confirming that they have not entered into any material, financial and commercial transactions in which they or their relatives may have a personal interest.
- All Related Party Transactions are placed before the Audit Committee for review and approval including transactions which are of repetitive in nature and / or entered in the ordinary course of business and are at Arm's Length.
- The Company has filed the necessary return within the due dates as stipulated under the listing regulations with the Stock Exchanges and also updated the same in the website of the Company at https://tejasnetworks.com/stock-exchange-filing-other-filing.php.
- The Company is in the process of obtaining prior approval of the Shareholders for the proposed material related party transactions.

Audit Report / Certificates

- The Statutory Audit Report of M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/ N500016) for the year ended March 31, 2023 does not contain any qualification, reservation or adverse remark nor instances of fraud committed by the Company, its officers or employees and the report is unmodified report which is enclosed with the financial statements and forms part of this Annual Report.
- The Secretarial Audit Report of Dwarakanath C, Company Secretary in Practice and Independent Secretarial Auditor-(FCS No. 7723 and Certificate of Practice No. 4847), for the year ended March 31, 2023 does not contain any qualification, reservation or adverse remark and is set out in **Annexure-4**.
- The Annual Secretarial Compliance report issued by Dwarakanath C, Company Secretary in Practice and Independent Secretarial Auditor-(FCS No. 7723 and Certificate of Practice No. 4847), for the year ended March 31, 2023 states that the Company has complied with all the applicable SEBI Regulations and circulars/ guidelines issued thereunder and is disclosed at www.tejasnetworks.com/ disclosures.php.
- The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company.
- The audit report on reconciliation of the Share capital by a qualified Practicing Company Secretary confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Internal Financial controls

- The Company has implemented and documented Internal Financial Controls as required under the Companies Act, 2013 and the same are being reviewed as part of the quarterly internal audit activity by the Internal Auditors.
- The Internal Auditors have also confirmed that they did not note any significant deficiencies which could result in operational or financial risk to the Company.
- Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, work performed by the Statutory, Internal and Secretarial Auditors including audit of Internal Financial Controls over financial reporting by the Statutory auditors and based on the summary report submitted by the Internal auditors and the reviews performed by the management and the relevant Board committees, including the Audit committee, the Company's Internal Financial Controls were adequate and operated effectively during FY 2023.
- The Company has sound Internal Financial Control which commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist for the year ended March 31, 2023.

Corporate Governance

- The Certificate on Corporate Governance for the year ended March 31, 2023, issued by Dwarakanath C, Company Secretary in Practice and Independent Secretarial Auditor - (FCS No. 7723 and Certificate of Practice No. 4847) pursuant to Schedule V of the Listing Regulations regarding compliance of conditions of corporate governance forms part of the report which states that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to Regulation 27 and clauses (b) to (i) of Regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023 and is disclosed at www.tejasnetworks.com/ disclosures.php.
- The Certificate of Non – disqualification of Directors for the year ended March 31, 2023 issued by Dwarakanath C, Company Secretary in Practice and Independent Secretarial Auditor - (FCS No. 7723 and Certificate of Practice No. 4847) states that as on April 1, 2023, the Directors on the Board of the Company have not been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority as per of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and is disclosed at www.tejasnetworks.com/ disclosures.php.

Cyber Security

- The Company implemented advanced cyber diagnostic assessments, on a regular basis, including email cyber-attack assessments, network and endpoint cyber-attack assessments, vulnerability scanning assessments, penetration testing and spear-phishing campaign.
- The Company established a rapid cyber attack incident response plan and periodically tested an enterprise-wide well-coordinated information system incident response plan to quickly identify, contain, eradicate, and recover from cyber-attacks.
- The Company conducted 24 x 7 x 365 monitoring, detection and response which monitored, detected, and responded to all cyber incidents including email systems, network, software applications and all information system endpoints, using advanced Security Information Event Management (SIEM) software, data visualisation tools, automation and Artificial Intelligence (AI) capabilities.
- The Company ensured information system resilience and implemented and periodically tested an enterprise-wide Business Continuity Plan and Disaster Recovery Plan.

Subsidiaries

- No Company has become or ceased to be joint venture or associate of the Company within the meaning of Section 2(6) of the Companies Act, 2013.
- The Company does not have any Joint-Venture or Associate Companies nor ceased to be joint venture or associate Company of any other Company within the meaning of Section 2(6) of the Companies Act, 2013 and there has been no material change in the nature of the business of the subsidiary including the step-down subsidiary.
- The Company does not have any material listed / non-listed Indian subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively in the immediate preceding accounting year.
- The policy for determining 'material' subsidiaries is disclosed in https://www.tejasnetworks.com/policies-codes.php.

Employee Stock Options (ESOP) / Restricted Stock Units (RSU)

- There were no material changes made to the aforesaid schemes during the financial year under review.
- The Employee Stock Option Plans and Restricted Stock Unit Plan are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.
- No employee was granted options/ RSU / Shares during the year, equal to or exceeding 1% of the issued capital.
- The Company did not grant any Stock Options under any of the ESOP plan of the Company after the implementation of the RSU plan.
- The Auditors Certificate under SEBI (Share Based Employee Benefits) Regulations 2014 issued by Dwarakanath C, Company Secretary in Practice and Independent Secretarial Auditor - (FCS No. 7723 and Certificate of Practice No. 4847), states that the Company Employee Based Share Schemes for the year ended March 31, 2023 have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 is disclosed at www.tejasnetworks.com/disclosures.php.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Companies Act, 2013

The Company has constituted committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 , and complied with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Companies Act, 2013.

Code of Conduct

- The Managing Director and CEO has confirmed that the Company has adopted a Code of Conduct for its employees which also includes the Non-Executive Director and Independent Directors and has received a declaration of compliance with the Code of Conduct as applicable to them.
- The Annual declaration affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the year ended March 31, 2023 forms part of the Corporate Governance Report.

Vigil Mechanism / Whistle Blower Policy

In terms of the Listing Regulations, the Company has established Vigil Mechanism and Whistle Blower Policy and hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee and that no complaint has been received during FY 2023.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards on Meetings of the Board of Directors ("SS-1") and Secretarial Standards on General Meetings ("SS-2"), mandated by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Borrowings including Fixed deposits

The Company has not accepted any fixed deposit including from the public or borrowed from Financial Institutions/ Banks and hence no amount of principal or interest was outstanding as of March 31, 2023.

Investor Education and Protection Fund (IEPF)

The IEPF Rules are not applicable to the Company and hence the transfer of the unpaid dividend nor the shares in respect of which the dividend were unclaimed by the respective allotees, to IEPF are not applicable to the Company.

Micro, Small and Medium (MSME) Enterprises

- The Company as on March 31, 2023 has made payments to all MSME suppliers within a period of 45 days from the date of acceptance or from the day of deemed acceptance.
- There are no outstandings as on March 31, 2023 which exceeded 45 days from the date of acceptance or the day of deemed acceptance.
- The company has registered in the platform with Receivables Exchange of India Limited (RXIL) as a "Buyer" for MSMEs.

Listing and Custodial Fees

- The annual listing fees for FY 2024 has been paid to both the Stock Exchanges where the shares of the Compamy are listed (i.e) theNational Stock Exchange of India Limited and the BSE Limited.
- The annual custodial fees for FY 2024 has been paid to both depositories (i.e) the National Securites Depositories Limited and Central Depositories Securities Limited.

Share transfers

Share transfers are registered and returned in the normal course within a period of 30 days from the date of receipt. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

Significant or Material Orders passed by Regulators or Courts or Tribunal

- There are no significant orders that have been passed by any Regulator or Court or Tribunal which can have implications on the going concern status and the Company's operations in future and there are no material litigation outstanding.
- There are no cases pending or filed against the Company or any liabilities attached to the Company in respect of any of the matters pertaining to securities.

Other disclosures

- No Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 by or against the Company.
- The Company has not entered into any agreement with any Media Company and/or its associates.
- The Company has complied with the requirements of the Stock Exchanges or SEBI on matters related to Capital Markets, as applicable, during the last three years. No penalties or strictures have been imposed on the Company.
- The Board reviews and approves the annual operating plan and budgets including capital budgets for each financial year in line with the Company's long-term strategy. An internal management committee approves all capex investments within the annual capex budget approved by the Board. An update on key capex approvals is generally provided to the Board periodically.
- The Company has formulated a policy on maintaining and preserving timely and accurate records uploaded on the website of the Company. The same is available on the website of the Company at https://tejasnetworks.com/policies-codes.php.
- The Company also complies with applicable non-mandatory requirement the Listing Regulations including having separate posts of Chairman and Managing Director and Chief Executive Officer.
- There were no appointments or resignations in the Key Managerial Personnel of the Company for the year ended March 31, 2023. However, Sanjay Nayak, Managing Director and Chief Executive Officer has voluntarily retired from the services of the Company to pursue other personal interest with effect from closing business hours of June 20, 2023 (i.e.) with effect from closing of the proceedings of the 23rd Annual General Meeting of the Company.
- Authorisation of Key Managerial Personnel to determine the materiality of the event for the purpose of disclosing to Stock Exchange in terms of Regulation 30(5) of the Listing Regulations.
- Constituted Senior Management Personnel (one level below CEO) in terms of Regulation 16(1) (d) of the Listing Regulations.
- The Company does not deal in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.
- The Company has raised funds through preferential allotment of Equity Shares on Private Placement basis on conversion of Share Warrants to Panatone Finvest Limited, the promoter of the Company, in accordance with the Share Subscription Agreement entered between Panatone Finvest Limited and the Company
- The Company has not issued any GDRs / ADRs in the past and hence the Company does not have any outstanding GDRs.
- The Company identifies all contractual receivables and payables over the short-term and medium term to arrive at its gross and net exposure across key currency pairs. To the extent possible, the company nets-off exposures occurring in the same accounting period and within the same currency pair, and hedges the remaining foreign exchange risk to the extent it deems it to be feasible based on its exchange rate forecast.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

I. Overview

Tejas Networks designs, develops, manufactures and sells high performance carrier-class equipment required for building telecommunication networks. We provide an extensive portfolio of wireline and wireless products, that are sold to telecommunications service providers, internet service providers, utility companies, enterprises, defence and government entities. Our products are used to build high- speed communication networks that provide broadband services to homes and enterprises and carry data, voice and video traffic from mobile or fixed line networks over optical fibre. Our end-to-end product portfolio spans across "access" (i.e., the outer perimeter of a telecommunications network which connects to the end consumers), "metro" (i.e., networks that aggregate and distribute traffic collected from access networks within a large city or region) and "core" (i.e., networks that interconnect metro networks using high bandwidth transmission) networks.

Our portfolio of leading-edge telecom products includes carrier-grade multi-terabit optical transmission and switching, fiber broadband access, mobile and fixed wireless access as well as multi- gigabit Ethernet/IP switching and routing products. Our products are based on global technology standards such as ITU, IEEE, IETF, MEF, 3GPP and are used at different locations in a telecom network including at cell towers, at exchanges, in data centers, utility sites, on customer premises as well as at the point-of- presence (POP) sites of a metro, state-wide or national network. The Company's products can address bandwidth requirements starting from a few megabits up to tens of terabits and are used for network applications such as mobile backhaul, broadband access, enterprise services, wholesale bandwidth services, data center interconnectivity, critical infrastructure and optical network modernization. Our products are modular and our programmable software-defined hardware™ architecture employing field-programmable silicon allows us to remotely upgrade our hardware with new capabilities and features as per new customer requirements, standards or technology trends. This enables our customers to adopt a "pay-as-you-grow" approach (i.e., purchase our products/ services incrementally as needed) while adopting new services, and also enables them to extend the life of installed systems through regular feature upgrades without having to invest in new hardware purchases. Our software-defined-hardware™ architecture also enables us to deploy the same products in multiple geographies by making country-specific adaptations, thus allowing us to save costs and realize economies of scale. Our products have been deployed in 75+ countries and we are ranked as a top-10 global supplier of optical aggregation and broadband access equipment.

Industry Structure and Developments

A robust telecommunications infrastructure is now an essential service for delivering high-speed connectivity to people, homes, offices and governments. The global movement towards everything digital and proliferation of powerful mobile devices such as smart phones, tablets and IoT, rollout of new 5G networks for mobile and fixed broadband and increased penetration of high-speed, fiber-based home and office broadband is driving the global demand for all-pervasive, higher capacity fiber optic networks.

The telecom and internet service providers are investing significant capex to upgrade their mobile, access and optical networks and this presents a robust growth opportunity for our industry. A combination of factors such as, increased adoption of high-speed home broadband, availability of newer generations of mobile broadband technologies, bandwidth-intensive applications such as high-speed business Ethernet, cloud connectivity, high-capacity wireless backhaul, and data center inter-connections are resulting in an expansion of the telecom equipment market. The continuing global trend of increased data consumption by consumers, enterprises and intelligent web-enabled devices (IoT) is a favorable driver for our business. With internet becoming more ubiquitous and use of high-bandwidth services such as high-definition video streaming, social networking, online gaming and e-commerce becoming commonplace, there is a dramatic increase in data traffic in telecom networks which requires higher-capacity wireless (4G/5G base stations), optical transmission and data networking equipment. The global outbreak of COVID-19 and stringent social distancing restrictions have accelerated this trend. As a result, telecom operators are increasing capital investments in mobile infrastructure, optical transmission and broadband access equipment to ensure that mobile and fixed broadband services are delivered with the requisite quality and in a cost-effective manner. Telecom service providers in most countries, including India, are on the verge of launching high-speed 5G mobile services while continuing to expand their 4G coverage. While optical capital expenditure is growing in large parts of the globe, India and other developing countries in SAARC, South East Asia, Africa and Americas have a particularly huge pent-up demand for cell-site fiberization to support increased data traffic from 4G and 5G base stations, compared to the more advanced markets. At the same time, unlike mobile data services, both developed and developing countries have a fairly low or moderate penetration of fiber broadband services, presenting significant growth opportunities for service providers in these countries to gain market share by aggressively investing in FTTX (fiber to the home/business) rollouts. As an always-on, high-speed broadband has emerged as a basic necessity in the post-Covid world, Governments around the globe, whether in India, United States or Europe are making public funds available for ubiquitous fiber broadband in order to bridge the growing urban-rural digital divide in their countries. Examples are the national rural broadband project (BharatNet) in India, RDOF (Rural Digital Opportunity Fund) in US and various Gigabit Network initiatives in EU. Besides these industry trends, we are also witnessing certain fundamental structural changes that are likely to allow newer companies with innovative offerings to disrupt and gain a larger share of the global telecom equipment market. First, unlike previous mobile technology generations that required a tightly-coupled RAN and Core solution, 5G uses a more open, disaggregated architecture with a cloud-based core enabling service providers to adopt an unbundled multi-vendor solution for RAN (O-RAN) and Core. Secondly, with growing geopolitical tensions, the need for building secure and resilient telecom networks is gaining prominence. 5G networks are regarded as more susceptible to cybersecurity attacks due to the inherent vulnerabilities of its underlying technologies (IoT, IP, Cloud) and the mission-critical nature of its key use cases such as autonomous cars, public safety, drones etc. As a result, telecom service providers are shifting away providers from certain "less-trusted" vendors and exploring newer secure alternatives for their telecom equipment supplies.

Thirdly, besides the traditional consumer service component, 5G also opens up a large enterprise opportunity for vendors that can efficiently bundle network equipment, software and system integration to deliver industry-scale “Private 5G” solutions for multiple sectors such as manufacturing, healthcare, education, automotive and utilities.

The demand for our telecom products will be driven by the following factors:

Broadly speaking, our telecom products can be classified into wireless and wireline segments. Our wireless products include 4G RAN (Radio Access Network) base station equipment comprising the BBU (Baseband Unit), typically located at the bottom of the cell tower, and an outdoor mounted RRH (Remote Radio Head) installed at the top of the cell tower and connects to mobile handsets in the vicinity. Our wireless products are based on LTE technology and compliant to global 3GPP standards for deployment in 4G networks today and 5G networks in the near future. Our wireline products can be further segmented into optical transmission, fiber broadband and secured Ethernet switches. Globally, mobile backhaul is one of the largest applications driving the demand for optical transmission products. Mobile backhaul is defined as the transport of cell phone traffic between the cellular base station and the mobile switching centre. In the case of 2G and 3G networks that were dominated by voice and low-speed data services, cellular traffic was largely backhauled over microwave radio but with the arrival of 4G and 5G networks that are dominated by higher-speed data traffic, optical fiber based backhaul has become the norm. The fiberisation trend is further accelerating with the advent of 5G due to a 10x increase in backhaul capacity requirements and a 10x densification of cell towers, since 5G requires more base-stations than 4G. In India, less than 35% of around 700,000 cell sites are currently fiberized (compared to 75-90% in developed countries) which is expected to increase to 70% by 2025. Overall, India has approximately 1143 million wireless subscribers today (source: TRAI statistics, January 2023) but the rural wireless tele-density is ~57% so there continues to be a latent demand for higher speed 4G/5G services, especially in smaller towns and rural areas.

Similarly, there is also a large latent demand for FTTH (fiber-to-the-home) services in most parts of the world which is a driver for our fiber broadband access products based on GPON (2.5Gbps) and XGS-PON (10Gbps) technologies. For example, while the number of mobile broadband subscribers in India is close to 806 million, less than 34 million homes have a wired broadband connection as of January 2023 (source: TRAI) and this represents a large growth opportunity for fiber-to-the-home (FTTx) services. As the mobile broadband market gets rapidly saturated, telecom and internet service providers are launching residential gigabit/ten gigabit FTTx-services, which are expected to increase the number of fiberised homes to over 100 million by 2030. The FTTx customer represent a very lucrative business opportunity for service providers in India, since the ARPU of an FTTx customer could be more than five times the ARPU of their mobile broadband subscriber. A similar trend for growth of FTTx customers is being witnessed in other countries as well. In the developing countries, FTTx will be the first option for meeting the demand of high-speed wireline broadband services, while in the developed countries there is significant push to offer FTTx services to their rural customers, who do not have high- speed broadband coverage. Fixed Wireless Access based on 4G/ LTE technology is also emerging as an alternative in areas where it is difficult to extend fiber to the customer premises. Adoption of cloud services is growing today as there is more data residing in cloud data centers than in private enterprise servers. Globally, Carrier Ethernet has emerged as the de- facto technology of choice for business and data center connectivity due to its scalability, flexibility, low cost-per-bit and security features. Enterprise customers are increasingly migrating to higher- speed Ethernet services including 100GE/200GE connections that can be delivered from our optical transmission products. On the other hand with the arrival of 10G PON (XGS-PON), small and medium businesses are exploring the use of business-grade FTTx as a cost-effective alternative for broadband connectivity.

The Internet has emerged as a basic necessity in modern life around the world. However, approximately half of the world’s population, living largely in rural and remote areas of developing countries, continue to remain unconnected to the Internet resulting in a growing “digital divide” between their rural and urban areas. Post Covid-19, countries have accelerated their have accelerated their national broadband initiatives to construct countrywide fiber- optic infrastructure and thereby bridge this gap. India’s BharatNet is an ongoing multi-year, multi-billion dollar government project funded by a Universal Service Obligation Fund (USOF) that seeks to connect every village in the country (approximately 650,000) with a high-speed broadband connection using GPON technology in the next few years. Other large government projects such as pan-India defence networks, network transformation projects in the power and rail sectors also have a large telecom equipment component. Our secured Ethernet switches are also widely deployed in such mission-critical networks especially for campus networking and surveillance applications in Smart Cities and Safe City projects.

Continuing 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 the financial statements, arising from COVID-19.

II. Financial condition

A. Sources of Funds

1. Equity share capital

We only have one class of shares, equity shares of par value of ₹ 10 each. During the year our authorised share capital has increased to ₹ 260 crore divided into 26,00,00,000 shares of ₹ 10 each from ₹ 200 crore divided into 20,00,00,000 shares of ₹ 10 each as on March 31, 2022.

During the year ended March 31, 2023, the Company has allotted equity shares under Private Placement to Panatone Finvest Limited comprising of 5,23,25,582 equity shares of ₹ 10 each fully paid up at a premium of ₹ 248 per share. In addition, the Company has issued 14,95,363 equity shares consequent to the exercise of the employee stock options and restricted stock units by the eligible employees of the Company. The outstanding paid up equity share capital stands at ₹ 168.37 crore comprising of 16,83,70,853 equity shares of ₹ 10 each fully paid up, as on March 31, 2023. On July 25, 2016, 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. The outstanding paid up equity share capital including forfeited shares stands at ₹ 171.64 crore as on March 31, 2023.

Employee Stock Option Plans (ESOPs) and Restricted Stock Units (RSUs): The total option pool authorised for grant across three ESOP schemes (ESOP 2014, 2014-A and 2016) is 1,41,01,767. Of these, 20,12,794 options have been granted and are outstanding as on March 31, 2023.

Pursuant to Members resolution, the RSU 2017 plan was approved during FY 2018. The aggregate number of Equity Shares, which may be issued under RSU Plan - 2017, shall not exceed 30,00,000. During the year 1,82,700 RSUs were granted and an aggregate of 13,62,288 RSUs are outstanding as on March 31, 2023.

Further, Pursuant to Members resolution, the RSU 2022 plan was approved during FY 2022. The aggregate number of Equity Shares, which may be issued under RSU Plan - 2022, shall not exceed 50,00,000. During the year 25,24,960 RSUs were granted and an aggregate of 24,95,460 RSUs are outstanding as on March 31, 2023.

2. Other equity

Securities premium reserve

On standalone and consolidated basis, the securities premium reserve increased from ₹ 1,456.24 crore as at March 31, 2022 to ₹ 2,773.34 crore as at March 31, 2023. The increase in securities premium of ₹ 1,297.67 crore was due to the preferential allotment of equity shares to Panatone Finvest Limited and ₹ 7.34 crore was on account of exercise of employee stock options totaling to ₹ 1,305.01 crore. In accordance with Ind AS 102, a sum of ₹ 12.09 crore was transferred from employee stock compensation reserve to securities premium reserve upon exercising of ESOP/RSU.

Employee stock compensation reserve

On standalone basis, the balance as at March 31, 2022 and March 31, 2023 amounted to ₹ 29.29 crore and ₹ 75.92 crore respectively. On consolidated basis, the balance as at March 31, 2022 and March 31, 2023 amounted to ₹ 29.29 crore and ₹ 77.12 crore respectively. The increase is on account of ESOP as well as RSU grants resulting in employee share based payment expenses of ₹ 58.72 crore (previous year ₹ 11.20 crore) on standalone basis and ₹ 59.92 crore (previous year ₹ 11.20 crore) on consolidated basis as per Ind AS 102 and transferred ₹ 12.09 crore (previous year ₹ 15.03 crore) to securities premium reserve upon exercising of ESOP/RSU both on a standalone and consolidated basis.

Retained earnings

On a standalone basis, the balance in retained earnings as at March 31, 2023 and March 31, 2022 was ₹ (13.63) crore and ₹ (13.75) crore respectively. On a consolidated basis, balance in retained earnings as at March 31, 2023 and March 31, 2022 was ₹ (52.07) crore and ₹ (12.51) crore respectively. Standalone retained earning includes profit ₹ 0.12 crore for the current year and increase in the loss towards retained earnings on a consolidated basis due to loss of ₹ 39.56 crore primarily due to RSU cost to Saankhya Labs. As per the Company's dividend policy, the Board may 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.

Networth

On a consolidated basis our networth has increased to ₹ 2,972.96 crore, primarily due to infusion of capital by Panatone Finvest Limited, as at March 31, 2023 compared to ₹ 1,592.75 crore (excludes ₹ 337.50 crore of money received against share warrants) as at March 31, 2022. Our book value per share increased to ₹ 176.57 as of March 31, 2023 from ₹ 139.05 as of March 31, 2022.

B. Application of funds

1. Property, plant and equipment

Additions to gross block

On a standalone basis, during the year, we incurred expenditure on property, plant and equipment of ₹ 62.05 crore (previous year ₹ 27.54 crore), comprising ₹ 27.77 crore (previous year ₹ 8.94 crore) in Laboratory equipment, ₹ 15.54 crore (previous year ₹ 13.34 crore) in Plant & Machinery- Cards/Prototypes and Others, ₹ 5.69 crore (previous year ₹ 1.46 crore) in Servers, ₹ 5.49 crore (previous year ₹ 2.48 crore) in Computing Equipment, ₹ 2.51 crore (previous year ₹ 0.53 crore) in Networking equipment, ₹ 2.14 crore (previous year ₹ 0.22 crore) in Electrical Installation, ₹ 1.85 crore (previous year ₹ 0.11 crore) in Furniture and Fixtures and ₹ 1.06 crore (previous year ₹ 0.46 crore) in Office Equipment. On a consolidated basis, during the year, we incurred expenditure on property, plant and equipment of ₹ 64.35 crore (previous year ₹ 27.54 crore), comprising ₹ 29.45 crore (previous year ₹ 8.94 crore) in Laboratory equipment, ₹ 15.54 crore (previous year ₹ 13.34 crore) in Plant & Machinery- Cards/Prototypes and Others , ₹ 6.03 crore (previous year ₹ 2.48 crore) in Computing Equipment, ₹ 5.69 crore (previous year ₹ 1.46 crore) in Servers, ₹ 2.50 crore (previous year ₹ 0.53 crore) in Networking equipment., ₹ 2.14 crore (previous year ₹ 0.22 crore) in Electrical Installation, ₹ 1.85 crore (previous year ₹ 0.11 crore) in Furniture and Fixtures and ₹ 1.15 crore (previous year ₹ 0.46 crore) in Office Equipment, and we have acquired assets worth ₹ 6.85 crore on account of acquisition of Saankhya Labs.

Deductions to gross block

During the year, we deducted from the gross block ₹ 0.06 crore on Computing Equipment (₹ 0.01 crore in the previous year) on a standalone and consolidated basis due to disposal of assets.

Capital expenditure commitments

The estimated capital expenditure commitments (net of advances and deposits) of ₹ 38.86 crore as at March 31, 2023, as compared to ₹ 4.77 crore as at March 31, 2022 on standalone basis and ₹ 39.21 crore as at March 31, 2023 as compared to ₹ 4.77 crore as at March 31, 2022 on consolidated basis.

2. Intangible assets and Intangible under development

On a standalone basis, our intangible assets comprises of computer software as well as product development expenditure. Additions of ₹ 11.77 crore was made in computer software, as against ₹ 6.98 crore in the previous year. During the year, ₹ 76.59 crore (previous year ₹ 64.51 crore) was capitalised from intangible assets under development to product development. As per accounting policy, the capitalised product development gets amortised over a period of 24 months.

Additions to intangible under development for the year amounted to ₹ 173.39 crore (previous year ₹ 79.63 crore) which includes capitalisation of employee benefit expense and consultant costs, incurred towards development of the products, of ₹ 159.39 crore (refer note 22 and note 24 of standalone financials) and ₹14.00 crore towards software.

On a consolidated basis, additions of ₹ 11.81 crore was made in computer software, as against ₹ 6.98 crore in the previous year. During the year, ₹ 76.59 crore (previous year ₹ 64.51 crore) was capitalised from intangible assets under development to product development. As per accounting policy, the capitalised product development gets amortised over a period of 24 months. Further there was an addition of ₹ 0.09 crore in Patent (previous year ₹ Nil).

Additions to intangible under development for the year amounted to ₹ 190.56 crore (previous year ₹ 79.63 crore) which includes capitalisation of employee benefit expense and consultant costs, incurred towards development of the products, of ₹ 176.56 crore (refer note 22 and note 24 of consolidated financials) and ₹ 14.00 crore towards software.

Pursuant to acquisition of controlling interest in Saankhya Labs Private Limited, as part of Purchase price allocation (PPA) the value of Technical Know-how of ₹ 220.47 crore and as part of business combination goodwill of ₹ 211.81 crore (refer note 40 of consolidated financials) has been considered in the Consolidated financials.

Business Combination - Acquisition of Saankhya Labs Private Limited

The following table represents the fair value of assets and liabilities acquired and goodwill recognised as of the date of control (i.e July 1, 2022), determined based on the valuation performed for Saankhya Labs Private Limited, by an independent valuer.

Fair value recognised on acquisition

in ₹ crore

	Amount
Property, plant and equipment (including right of use assets)	13.07
Cash and Cash Equivalent	46.25
Other current assets	59.15
Fair value of tangible assets	118.47
Technical know-how of Saankhya Labs Private Limited	220.47
Total fair value of assets acquired	338.94
Deferred tax on intangible assets	(77.04)
Other liabilities (including lease liabilities)	(42.32)
Total fair value of net assets acquired	219.58
Goodwill arising on acquisition	211.81
Implied consideration	**431.39**

The goodwill of ₹ 211.81 crore includes the value of expected synergies arising from the acquisition which is not separately recognised and goodwill balance is after netting off of ₹ 77.04 crore on account of deferred tax liability recognised on intangible asset.

in ₹ crore

Purchase consideration	Amount
For 64.40% stake acquisition	283.94
Merger liability recognised	147.45
Implied purchase consideration	**431.39**

3. Inventories

On a standalone basis, during the year ended March 31, 2023 inventory increased by ₹ 350.05 crore and the inventory balance was ₹ 628.07 crore as at March 31, 2023, compared to ₹ 278.02 crore as at March 31, 2022. Inventory days outstanding increased to 295 days as at March 31, 2023 as against 289 days as at March 31, 2022.

On a consolidated basis, during the year ended March 31, 2023 inventory increased by ₹ 368.84 crore and the inventory balance was ₹ 646.86 crore as at March 31, 2023, compared to ₹ 278.02 crore as at March 31, 2022. Inventory days outstanding increased to 301 days as at March 31, 2023 as against 289 days as at March 31, 2022.

The increase in inventory is on account of securing some long-lead components in anticipation of expected orders that require faster delivery. In addition, inventory increased since we built of a majority of the sub-systems but could not ship out complete systems, due to lack of availability of certain components.

4. Financial assets

a) Investments

Investment in subsidiaries is carried at cost as per Ind AS 27, Separate Financial Statements. Investment includes ₹ 294.81 crore (previous year ₹ 10.87 crore) out of which ₹ 10.87 crore is towards investment in the 100% subsidiary company Tejas Communications Pte Ltd and ₹ 283.94 crore investment in majority owned subsidiary Saankhya Labs Private Limited.

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 ₹ 454.19 per equity share amounting to ₹ 283.94 crore (refer note 40 of consolidated financials).

Other investment comprise of investment in reputed mutual funds amounting to ₹ 262.24 crore as at March 31, 2023 (previous year ₹ 401.78 crore), and investment in ELCIA ESDM cluster of ₹ 11,000/- as at March 31, 2023 (previous year ₹ 11,000/-).

b) Trade receivables

We manage credit risk by regularly monitoring individual customer payment capability, their creditworthiness, their past payment performances, and through routine communication with those customers and the concerned parties.

On a standalone basis, trade receivables amounted to ₹ 481.28 crore and ₹ 282.58 crore as of March 31, 2023 and March 31, 2022, respectively. On a consolidated basis, trade receivables amounted to ₹ 518.03 crore and ₹ 292.16 crore as of March 31, 2023 and March 31, 2022, respectively. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. On a consolidated basis, Days sales outstanding (DSO) was at 161 days as at March 31, 2023, compared to 234 days as at March 31, 2022.

As per Ind AS 109, we are required to apply Expected Credit Loss (ECL) model for recognising the allowance for doubtful debts.

We use a simplified approach to compute the expected credit loss allowance for trade receivables. The movement in ECL during FY 2023 is as follows:

in ₹ crore

Particulars	Standalone	Consolidated
Loss allowance as on April 01, 2022	127.38	137.94
Forex movement	-	0.29
Changes in loss allowance	(33.32)	(32.97)
Loss allowance as on March 31, 2023	94.06	105.26

While ₹ 87.91 crore and ₹ 87.76 crore was provided as ECL on a standalone and consolidated basis respectively in the previous year, during the current year we partially collected the receivable which had been provided for in the earlier year. Hence the reversal of ECL of ₹ 33.32 crore and ₹ 32.97 crore on a standalone and consolidated basis respectively. We will continue to focus on collecting the receivable amounts which are overdue.

c) Cash and cash equivalents

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Bank balances and deposits with original maturity up to three months	78.98	45.50	85.39	47.56
Bank balances other than above				
Deposits with original maturity of more than 3 months but less than 12 months	652.06	299.68	656.42	299.68
Deposits with remaining maturity of more than twelve months	-	0.22	-	0.22
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	-	1.15	2.31	1.15
Investment in mutual funds	262.24	401.78	262.24	401.78
Deposits with financial institutions disclosed under other current financial assets	300.00	351.79	300.00	351.79
Cash and cash equivalents including margin money	1,293.28	1,100.12	1,306.36	1,102.18

Our cash and cash equivalents comprise deposits with banks and financial institutions with high credit-ratings assigned by various credit-rating agencies. Investment in mutual funds are placed with reputed Indian Mutual Fund where we have no or negligible risk to capital.

On a standalone basis, during the year our total cash and cash equivalents (including investment in liquid mutual funds and deposits with financial institutions) improved by ₹ 193.16 crore and stood at ₹ 1,293.28 crore as at March 31, 2023, as compared to ₹1,100.12 crore as at March 31, 2022. On a consolidated basis, during the year our total cash and cash equivalents (including investment in liquid mutual funds and deposits with financial institutions) improved by ₹ 204.18 crore and stood at ₹ 1,306.36 crore as at March 31, 2023, as compared to ₹ 1,102.18 crore as at March 31, 2022. During the year, the increase in the cash and cash equivalents was primarily due to amounts collected towards issuance of fresh Equity/share warrants through private placement amounting to ₹ 1,012.50 crore. Our cash and cash equivalents comprise balances with banks in current accounts, EEFC accounts and deposits with original maturity of less than three months. Other bank balances comprise of deposits with banks with original maturity of more than three months but less than twelve months and balances held as margin money or security against bank facilities or guarantees. Investment in mutual funds as at March 31, 2023 includes ₹ 183.19 crore in Tata Liquid Fund Direct Plan Growth and ₹ 79.05 crore in Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option. Deposits with financial institutions as at March 31, 2023 comprise of deposit with Bajaj Finance Limited of ₹ 300 crore.

With this healthy cash position, we are confident to execute large orders and scale-up our business.

d) Other financial assets

The details of other financial assets are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Non-current				
Security deposits	5.44	5.45	7.04	5.49
Current				
Security deposits	0.67	0.61	0.67	0.61
Interest accrued but not due	3.98	0.96	4.12	0.96
Foreign exchange forward contracts	0.02	0.60	0.02	0.60
Other Receivables*	60.36	8.05	30.02	8.05
Total	70.47	15.67	41.87	15.71

* On a standalone basis, the balance of other receivables, comprises of outstanding balances from contract manufacturers amounting to ₹ 30.02 crore and ₹ 30.34 crore of receivable from Saankhya Labs Private Limited, a related party

Interest accrued but not due of ₹ 3.98 crore on standalone basis and ₹ 4.12 crore on consolidated basis are on the deposits kept with financial institutions and banks as on March 31, 2023 (previous year ₹ 0.96 crore).

During the current year, Company has entered to forward contracts to cover the exchange risks. As on March 31, 2023 the forward contract receivables is ₹ 0.02 crore (previous year ₹ 0.60 crore).

Further, the balance of other receivables, comprises of outstanding balances from contract manufacturers of ₹ 30.02 crore as on March 31, 2023 (previous year ₹ 8.05 crore).

5. Other assets

The details of other assets are as follows: in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Non-current				
Pre-paid gratuity contributions (asset)	0.30	0.23	0.30	0.23
Prepaid expenses	0.27	0.43	0.27	0.43
Capital Advances	8.54	6.93	8.54	6.93
Balances with government authorities	15.52	15.60	25.26	15.60
Current				
Advances to suppliers	59.69	32.62	59.88	32.57
Capital Advances	-	-	0.17	-
Advances others	0.02	0.03	0.02	0.03
Balances with government authorities	113.06	38.90	113.06	38.90
Prepaid expenses	4.58	2.73	5.80	2.82
Advances to employees	1.26	0.10	1.41	0.12
Total	203.24	97.57	214.71	97.63

During the year, on a consolidated basis advances to suppliers stood at ₹ 59.88 crore as at March 31,2023 as compared to ₹ 32.57 crore as at March 31, 2022 primarily due to advance payment to few vendors to secure the inventory on time.

Balance with Government Authorities primarily consists of ₹ 113.04 crore (Previous year: ₹ 36.47 crore) towards GST Receivable which can be utilised in the subsequent years.

6. Tax assets

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Advance Income Tax (net)	25.82	35.63	31.71	35.63
Deferred Tax Asset	103.09	111.33	42.09	111.33
Total	128.91	146.96	73.80	146.96

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
The balance in Deferred Tax Assets comprises temporary differences attributable to:				
Difference between tax base and carrying amounts of assets and liabilities (including expenses deductible upon payment)	(52.69)	16.71	(123.56)	16.71
Lease Liabilities	16.85	6.90	17.32	6.90
Unabsorbed depreciation and allowances under section 35	109.78	48.67	119.59	48.67
MAT credit	44.14	44.14	44.14	44.14
Total deferred tax assets	118.08	116.42	57.49	116.42
Right of use assets	(14.99)	(5.09)	(15.40)	(5.09)
Net deferred tax assets	103.09	111.33	42.09	111.33

Effective the Ind AS transition date, the Company has recognised deferred tax assets on losses comprising unabsorbed depreciation and unutilised expenditure on scientific research carried forward from previous years. The Company has estimated that the deferred tax assets will be recoverable using the estimated future taxable income. Deferred tax assets primarily comprise of deferred taxes on property, plant and equipment, tax losses, tax credits and unabsorbed depreciation of previous years.

During the year, the Company has accrued ₹ 2.91 crore of interest recognized on the income tax refund on account of the receipt of the order giving effect for few assessment years.

During the year, the Company has received refund from Income Tax Department amounting to ₹ 12.71 crore for various Assessment Years.

On Standalone basis the Company continues to pay the income tax on MAT basis. During the current year, since the company had business loss, the company has not accrued any income tax. However, the company has recognized deferred tax charge amounting to ₹ 8.25 crore on account of timing differences and creation of asset based on carry forward of losses. On a consolidated basis we have accrued a deferred tax credit of ₹ 5.92 crore mainly due to decrease of deferred tax liability on intangible assets accounted as part of Purchase Price Allocation (PPA).

7. Financial liabilities

The details of trade payables and other financial liabilities are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Merger Liability	-	-	156.68	-
Trade payables for goods & services	307.28	116.70	301.02	111.57
Lease Liabilities	48.23	19.76	49.82	19.76
Due to employees	43.67	15.55	50.02	17.72
Capital Creditors	17.57	4.59	17.57	4.59
Unpaid dividend	0.03	0.03	0.03	0.03
Other liabilities	0.15	0.14	0.15	0.14
Total	416.93	156.77	575.29	153.81

On a consolidated basis, trade payables for goods & services stood at ₹ 301.02 crore as at March 31, 2023 as compared to ₹ 111.57 crore as at March 31, 2022. On a consolidated basis, amount due to employees increased from ₹17.72 crore as at March 31, 2022 to ₹ 50.02 crore as at March 31 2023, comprising of the employee compensation benefits (including year end performance linked variable pay) payable as of the respective year end. On a consolidated basis, our days payable outstanding (DPO) decreased by 32 days from 113 days as at March 31, 2022 to 81 days as at March 31, 2023.

As per the Shareholders agreement between the company and the shareholders of Saankhya Labs Private Limited (“SHA”), in the event the merger is not completed within the “Merger Long Stop Date”, the Company shall purchase and the remaining shareholders of Saankhya Labs Private Limited shall sell the balance equity shares to the Company, as per the agreed price provided for in SHA. As the contract contains an obligation for the entity to deliver cash in exchange for its own equity shares (Non-Controlling interest), such an obligation is in the nature of financial liability under the provisions of Ind AS 32 “Financial instruments- Presentation”. Hence, a financial liability has been recognized amounting to ₹ 156.68 crore (includes an amount of ₹ 9.23 crore pertaining to interest cost recongnised).

8. Other liabilities

The details of other financial liabilities are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Advances received from customers	4.11	6.60	14.71	7.02
Deferred revenue	4.80	3.30	13.07	3.30
Liabilities on Corporate Social Responsibility	-	-	0.30	-
Statutory dues	10.24	8.33	11.47	8.33
Total	19.15	18.23	39.55	18.65

Deferred revenue represents the billings towards Annual maintenance contract (AMC) in excess of earnings. Revenue from AMC is recognized on accrual basis pro-rated over the period of the contract. Statutory dues comprise of the withholding and other local taxes payable as on the date of the Balance sheet for the respective year end.

9. Provisions

The details of provisions are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Non-current provisions				
Gratuity	-	-	0.09	-
Warranty	2.03	0.49	2.03	0.49
Current provisions				
Compensated absences	7.77	5.21	9.57	5.47
Gratuity	-	-	0.20	-
Warranty	2.34	1.45	2.34	1.45
Total	12.14	7.15	14.23	7.41

The provision for warranty represents estimated warranty cost on the products 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 vary as and when warranty claim arises, which can typically be up to three years.

III. Results of our operations

Our statement of function wise profits and losses is as below

in ₹ crore except for share data

Particulars	Standalone				Consolidated			
	2023	%	2022	%	2023	%	2022	%
Revenue (A)	869.08	100.0	549.14	100.0	919.57	100.0	550.59	100.0
Cost of materials consumed	560.01	64.4	312.13	56.8	561.80	61.1	312.13	56.7
Manufacturing Expenses	27.06	3.1	17.54	3.2	30.48	3.3	17.54	3.2
Service Expenses	54.54	6.3	46.76	8.5	87.87	9.6	46.92	8.5
Total Cost of Goods Sold (B)	641.61	73.8	376.43	68.5	680.15	74.0	376.59	68.4
Gross Profit (C) = (A) - (B)	227.47	26.2	172.71	31.5	239.42	26.0	174.00	31.6
Operating Expenses:								
Research & Development (Gross)	237.72	27.4	131.23	23.9	258.79	28.1	131.23	23.8
Less: R&D Capitalized	(159.39)	(18.3)	(79.63)	(14.5)	(176.56)	(19.2)	(79.63)	(14.5)
Research & Development (Net)	78.33	9.0	51.60	9.4	82.23	8.9	51.60	9.4
Selling, Distribution & Marketing	94.85	10.9	81.15	14.8	100.95	11.0	81.20	14.7
Allowance for expected credit loss	(33.32)	(3.8)	87.91	16.0	(32.97)	(3.6)	87.76	15.9
General & Administrative	42.28	4.9	33.63	6.1	72.28	7.9	33.90	6.2
Operating Expenses (Net) (D)	182.14	21.0	254.29	46.3	222.49	24.2	254.46	46.2
Profit/ (Loss) from operations (EBITDA) (E) = (C) - (D)	45.33	5.2	(81.58)	(14.9)	16.93	1.8	(80.46)	(14.6)
Other Income	79.14	9.1	40.10	7.3	80.53	8.8	40.17	7.3
Foreign exchange loss/(gain)	2.85	0.3	(3.15)	(0.6)	2.41	0.3	(3.13)	(0.6)
Finance costs	5.20	0.6	3.03	0.6	15.20	1.7	3.19	0.6
Depreciation and amortization	105.13	12.1	76.79	14.0	122.50	13.3	76.78	13.9
Profit/ (Loss) before tax	11.29	1.3	(118.15)	(21.5)	(42.65)	(4.6)	(117.13)	(21.3)
Tax expense:								
Current tax	-	-	0.19	0.0	(0.32)	(0.0)	0.19	0.0
Deferred tax expense/(benefit)	8.25	0.9	(54.61)	(9.9)	(5.92)	(0.6)	(54.61)	(9.9)
Profit/ (Loss) for the year	3.04	0.3	(63.73)	(11.6)	(36.41)	(4.0)	(62.71)	(11.4)
Earnings/ (Loss) per share (Par Value ₹ 10 each)								
(a) Basic	0.20		(6.07)		(2.46)		(5.97)	
(b) Diluted	0.19		(6.07)		(2.46)		(5.97)	

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 ₹ 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.

As a result of acquisition of controlling interest by the Company in Saankhya and by Saankhya Labs in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated numbers for the year ended March 31, 2023 includes the contribution from those entities as below and thus are not comparable with previous year

Particulars	Year ended March 31, 2023
Revenue from Operations	49.48
Profit / (Loss) before tax*	(33.25)
Profit / (Loss) after tax*	(23.23)

*loss primarily on account of restricted stock units charge of ₹ 29.27 crore which was part of the acquisition.

Revenue

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Product revenue	805.46	478.44	806.56	479.49
Service revenue				
Installation and commissioning revenue	8.41	16.97	8.42	16.97
Annual maintenance revenue	52.31	48.71	52.77	49.02
Other service revenue	2.90	5.02	51.82	5.11
Total services revenue	63.62	70.70	113.01	71.10
Revenue	869.08	549.14	919.57	550.59

All the below discussions are based on consolidated financials

Revenue from operations

Our revenue from operations increased by 67.0% from ₹ 550.59 crore for FY 2022 to ₹ 919.57 crore for FY 2023.

During the year, we re-engineered and improved our supply chain processes and IT tools, to better manage the unpredictability of component supplies which has resulted in consistant revenue growth by taking adequate inventory actions to ensure that we can scale-up and deliver on the growth opportunities ahead of us.

In FY 2023, our India business grew by 100% YoY overall. Within that, we saw growth in the India-Government segment (158% YoY growth), led by business from the critical infrastructure segment. The India-private segment grew 79% YoY, and we secured new application wins in major telecom operators and it contributed to 50% of the total revenues on a larger revenue base compared to 47% in the previous year.

During the year total export revenue share was 24% as against 36% during the previous year. On an absolute basis, international revenue increased 9% YoY. Out of the above service revenue, revenue of ₹ 47 crore pertains to revenue derived from our subsidiary Saankhya Labs Private Limited.

Sale of products

Our revenue from the sale of products grew by 68.2% from ₹ 479.49 crore for FY 2022 to ₹ 806.56 crore for FY 2023. The revenue increase was primarily due to increase in our India private and India critical infrastructure revenues. Product revenues were 88% of net revenues for the year ended March 31, 2023 (previous year 87%).

Sale of services

Our revenue from the sale of services grew by 58.9% from ₹ 71.10 crore for FY 2022 to ₹ 113.01 crore for FY 2023. During the year, AMC revenues contributed to 47% of the total service revenues and our installation and commissioning revenues are lower in the current year compared to previous year. Service revenues were 12% of net revenues for the year ended March 31, 2023 (previous year 13%). Service revenue includes revenue of ₹ 47 crore which pertains to revenue derived from our subsidiary Saankhya Labs Private Limited.

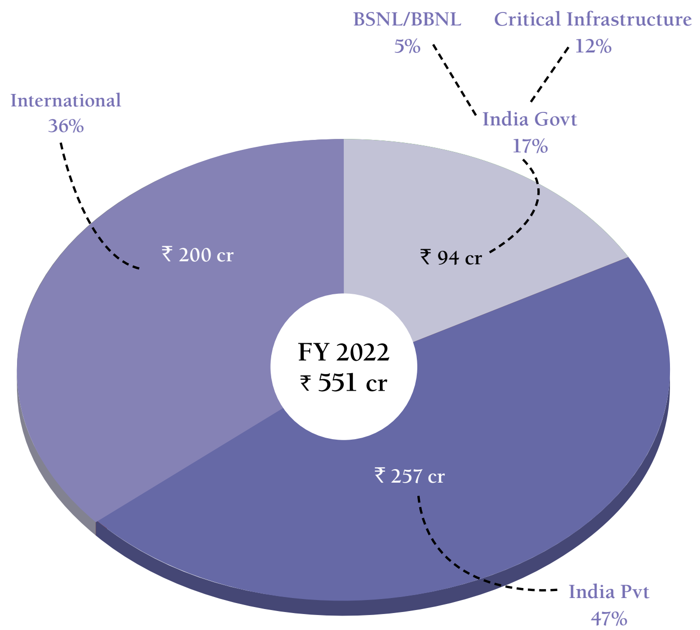
Geographic segment

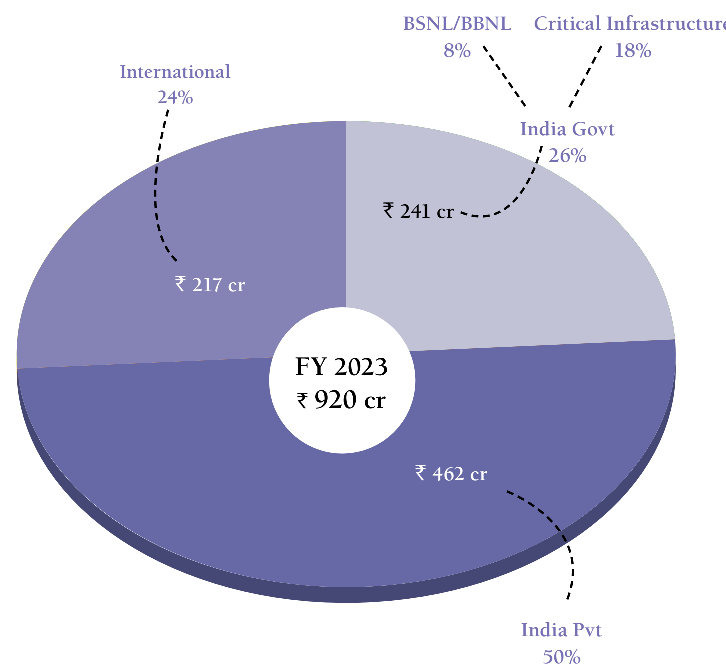
Out of total revenue, 76% (previous year 64%) came from India, and 24% (previous year 36%) came from International locations.

Customer concentration

We are in a B2B business and significant portion of our revenues are derived from small number of customers, which is inherent nature of our industry. This may lead to quarterly fluctuation and seasonality in our revenues.

The net revenue contribution of our top-two customers during FY 2023 was 20% as against 33% during the previous year.





We saw strong order inflows during the year and our backlog increased to ₹ 1,934 crore as of March 31, 2023 (₹ 1,175 crore as of March 31, 2022). Our backlog represents the PO's received from the customers which remain unexecuted as of March 31, 2023 and consists of product as well as service orders. Out of this, the Company expects to recognize revenue of around 72% within the next one year and the remaining thereafter.

Cost of materials consumed

Our cost of materials consumed increased by 83.6% from ₹ 290.74 crore for FY 2022 to ₹ 533.87 crore for FY 2023. During the year we saw margin pressure due to increased semiconductor component costs and our inability to pass the cost increases to our customers, since many of the contracts were fixed price. Adverse fluctuation on the exchange rate further increased our costs for rupee-denominated orders in India.

Function wise expenses

- Our manufacturing expenses increased by 73.8% from ₹ 17.54 crore for FY 2022 to ₹ 30.48 crore for FY 2023 primarily due to increase of production capacity and warehouse and also increase in employee benefit expenses and subcontractor charges. As a percentage of our net revenues, the manufacturing expenses in FY 2023 increased to 3.3% from 3.2% in FY 2022.
- Our service expenses grew by 87.3% from ₹ 46.92 crore for FY 2022 to ₹ 87.87 crore for FY 2023 primarily due to increase in employee benefit expenses. As a percentage of our net revenues the services expenses in FY 2023 increased to 9.6% as compared to 8.5% in FY 2022.
- Our gross profit in absolute terms increased by 37.6% from ₹ 174.00 crore for FY 2022 to ₹ 239.42 crore for FY 2023. During the year the gross margin declined by 557 basis points to 26.0% of net revenues primarily due to increased semiconductor component costs and lower international revenues.
- Our research and development expenses on a gross basis increased by 97.2% from ₹ 131.23 crore (23.8% of net revenues) for FY 2022 to ₹ 258.79 crore (28.1% of net revenues) for FY 2023 primarily attributable to increased employee benefit expenses and technical consultancy charges. Our research and development expenses, net of capitalisation grew by 59.4% from ₹ 51.60 crore for FY 2022 to ₹ 82.23 crore for FY 2023. As of March 31, 2023 we have filed for 445 patents of which 217 have been granted.
- Our selling and marketing expenses grew by 24.3% to ₹ 100.95 crore (11.0% of net revenues) during FY 2023 from ₹ 81.20 crore (14.7% of net revenues) during FY 2022. This is primarily on account of the increase in employee benefit expenses.
- Allowance for expected credit loss has decreased from ₹ 87.76 crore in FY 2022 to ₹ (32.97) crore in FY 2023. The reversal of allowance for expected credit loss during the year was primarily on account of collection of certain long outstanding receivable which was provided in the previous year. We continue to focus on collecting the overdue amount receivable from customers.
- Our general and administrative expenses grew by 113.2% to ₹ 72.28 crore (7.9% of net revenues) during FY 2023 from ₹ 33.90 crore (6.2% of net revenues) during FY 2022 primarily on account of increased employee benefit expenses, with respect to the cost of RSU of which ₹ 25.26 crore of cost pertaining to the Saankya Labs and professional charges.

Employee benefits expense

Our gross employee benefits expenses grew by 84.3% from ₹ 214.06 crore for FY 2022 to ₹ 394.46 crore for FY 2023. This was primarily due to increase in head count and also on account of increase in annual compensation required to retain talent. The head count has increased from 920 as on March 31, 2022 to 1,417 as on March 31, 2023 of which 914 are from the R&D function. In addition to R&D, we continue to focus on recruiting talented workforce across all functions, in line with our expected growth plans.

The employee benefit expense includes share based compensation expense (for ESOP/RSU granted), recognised in accordance with Ind AS 102 of ₹ 59.92 crore, of which ₹ 29.27 crore of cost pertaining to Saankya Labs, for FY 2023 compared to ₹ 11.20 crore for FY 2022.

Other Expenses

Our other expenses excluding allowance for expected credit loss increased by 48.0% to ₹ 145.15 crore for FY 2023 from ₹ 98.08 crore for FY 2022. The increase in other expenses was primarily on account of increase in the cost of technical charges from ₹ 7.94 crore to ₹ 18.97 crore and increased travel expenses by ₹ 8.04 crore

Earnings before exceptional items, interest, tax, depreciation and amortization

Our earnings before interest, tax, depreciation and amortization ("EBITDA") as a % of net revenues increased during the year to 1.8% compared to (14.6)% in the previous year. The EBIDTA increase was primarily on account of increase in revenue and also the other cost remaining quasi-fixed.

Finance Costs

Our finance costs increased by 376.5%, from ₹ 3.19 crore for FY 2022 to ₹ 15.20 crore for FY 2023. Current year cost includes ₹ 9.23 crore towards recording of non-controlling interest cost of Saankhya Labs Private Limited as financial liability.

Depreciation and amortization

Our depreciation and amortization costs increased by 59.5%, from ₹ 76.78 crore for FY 2022 to ₹ 122.50 crore for FY 2023. This was attributable to increase in amortisation of intangible assets by an amount of ₹ 32.83 crore, ₹ 17.75 crore of amortisation on account of higher capitalisaton of product development and ₹ 12.68 crore of amortisation towards technical know-how acquired as part of Purchase Price Allocation, pursuant to acquisition of controlling interest in Saankhya Labs Private Limited. Increase in depreciation on property, plant and equipment amount by ₹ 9.27 crore and increase in amortization of right-to-use assets by ₹ 3.62 crore.

Other income

Other income increased from ₹ 40.17 crore for FY 2022 to ₹ 80.53 crore for FY 2023. This was primarily on account of increase in treasury income on deposits kept with banks and financial institutions and with Mutual funds. During the year other income includes ₹ 2.91 crore of interest income recognized on the income tax refund (previous year ₹ 2.49 crore) accrued as per the income tax orders received during the year.

Loss before tax

As a result of the foregoing, our loss before tax decreased by 63.6% from a loss before tax of ₹ 117.13 crore for FY 2022 to ₹ 42.65 crore for FY 2023. As a % of net revenues, our loss before tax for FY 2023 was 4.6% compared to 21.3% for FY 2022. The primary reason for loss is on account of Saankhya and its subsidiaries which had a loss of ₹ 33.25 crore, primarily towards restricted stock units charge of ₹ 29.27 crore was incurred which was part of the acquisition, ₹ 12.68 crore on account of amortization cost for technology asset acquired from Saankhya and ₹ 9.23 crore on account of finance cost for recognizing non-controlling interest as financial liability.

Tax expense

On Standalone basis the Company continues to pay the income tax on MAT basis. During the current year, since the company had business loss, the company has not accrued any income tax. The company accrued a deferred tax credit of ₹ 5.92 crore on consolidated basis mainly due to decrease of deferred tax liability on intangible assets accounted as part of Purchase Price Allocation (PPA).

Loss after tax

As a result of the foregoing, our loss reduced by 41.9% from a loss of ₹ 62.71 crore for FY 2022 to ₹ 36.41 crore for FY 2023. As a % of net revenues, our loss after tax for FY 2023 was 4.0% compared to 11.4% for FY 2022.

Earnings per share (EPS)

The details of EPS on standalone and consolidated basis are as follows:

Particulars	Standalone			Consolidated		
	2023 (₹)	2022 (₹)	% Increase	2023 (₹)	2022 (₹)	% Increase
Basic	0.20	(6.07)	103.3%	(2.46)	(5.97)	58.8%
Diluted	0.19	(6.07)	103.1%	(2.46)	(5.97)	58.8%

Weighted average equity shares used in computing earnings per equity share as follows:

in No's

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Basic	15,36,77,077	10,50,19,617	15,36,77,077	10,50,19,617
Diluted	15,70,58,060	10,50,19,617	15,36,77,077	10,50,19,617

On a consolidated basis, our basic and diluted EPS increased by 58.8% on a year on year basis. The increase in weighted average basic share numbers for the year ended March 31, 2023 was on account of the shares allotted through private placement and pursuant to the exercise of employee stock options and RSUs by the eligible employees.

IV. Liquidity

Our principal sources of liquidity are cash and cash equivalents (including the investments in liquid mutual funds and deposits with financial institutions) and cash flow generated from operations. We are a debt free company and we believe our cash and equivalent and internal accruals, as well as the existing limits available with our banks, are sufficient to take care of our working capital.

in ₹ crore

Particulars	Standalone		Consolidated	
	2023	2022	2023	2022
Cash generated from operating activities	39.51	24.13	43.11	26.04
Movement in working capital	(421.53)	(71.96)	(434.54)	(72.65)
Tax refund	12.71	29.28	11.29	29.28
Net cash used in operating activities (A)	(369.31)	(18.55)	(380.14)	(17.33)
Cash flows from investing activities				
Capital expenditure (B)	(235.79)	(117.36)	(249.12)	(117.34)
Other investing activities	(372.78)	(710.41)	(332.32)	(710.41)
Net cash used in investing activities	(608.57)	(827.77)	(581.44)	(827.75)
Cash flows from financing activities				
Proceeds from ESOP/ RSU	8.83	11.44	8.83	11.44
Proceeds from Issue of Share Warrant/ Equity shares through Private Placement (Net of Issue Expenses)	1,012.50	837.31	1,012.50	837.31
Others	(10.53)	(9.16)	(22.48)	(9.32)
Net cash generated from financing activities	1,010.80	839.59	998.85	839.43
Free Cash Outflow (A+B)	(605.10)	(135.91)	(629.26)	(134.67)
Closing cash and cash equivalents	1,293.28	1,100.12	1,306.36	1,102.18

On a consolidated basis, the net cash outflow from operations for FY 2023 was ₹ 380.14 crore, as compared to ₹ 17.33 crore for FY 2022. The decrease in operating cash flows is primarily due to increase of inventories by ₹ 368.84 crore as compared to the previous year. The increase in inventory is on account of securing some long-lead components in anticipation of expected orders that require faster delivery. The free cash outflow for FY 2023 was ₹ 629.26 crore as compared to ₹ 134.67 crore for FY 2022. The capital expenditure comprises of expenditure on property, plant and equipment of ₹ 46.60 crore and expenditure on intangible assets (including Product under development) of ₹ 202.52 crore. Investing activity comprises of the investment in Mutual fund and the deposit kept with the banks and financial institutions.

Net cash generated from financing activities was ₹ 998.85 crore for FY 2023, as compared to ₹ 839.43 crore for FY 2022. During FY 2023, the Company received ₹ 8.83 crore towards exercise of ESOP and RSUs by employees (Previous year the Company received ₹ 11.44 crore) and ₹ 1,012.50 crore towards Proceeds from Issue of Share Warrant/ Equity shares through Private Placement (Previous year the Company received ₹ 837.31 crore).

The closing cash and cash equivalents including the investment in liquid mutual funds and deposits with financial institutions stood at ₹ 1,306.36 crore as at March 31, 2023, as compared to ₹ 1,102.18 crore as at March 31, 2022.

Key Financial Ratios

Sl. No.	Particulars	Consolidated			Reasons for variance in excess of 25%
		2023	2022	Variance	
1	Current Ratio	6.26	10.45	(40)%	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	0.02	0.01	100%	Not applicable
3	Debt service coverage ratio	10.42	13.87	(25)%	Not applicable
4	Return on Equity Ratio	(0.01)	(0.04)	(75)%	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	1.21	1.26	(4)%	Not applicable
6	Trade Receivables turnover ratio	2.27	1.56	46%	Increase in revenue (especially in second half of FY23) and collection of long outstanding dues during FY2023.
7	Trade payables turnover ratio	4.49	3.22	39%	Increased on account of increased purchases during FY 23
8	Net capital turnover ratio	0.41	0.35	17%	Not applicable
9	Net (loss)/profit ratio	(0.04)	(0.11)	(64)%	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	(0.01)	(0.06)	(83)%	Increase in capital employed on account of increased share capital, and reduction in EBIT loss for the period
11	Return on Investment	(0.01)	(0.07)	(86)%	Increase in average total assets, and reduction in EBIT loss for the period

Detailed Explanation of Ratios

i. Current Ratio: The Current Ratio indicates a Company's overall liquidity position. It measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

ii. Debt Equity Ratio: Debt Equity ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing total debt by shareholder's equity.

iii. Debt Service Coverage Ratio: Debt Service coverage ratio is used to analyse the firm's ability to pay-off current interest and instalments. It is calculated by dividing earnings available for debt service by debt service.

iv. Return on Equity (ROE): It measures the profitability of equity funds invested in the Company. The ratio reveals how profitability of the equity-holders' funds have been utilized by the Company. It also measures the percentage return generated to equity-holders. It is calculated by dividing PAT by average equity.

v. Inventory Turnover ratio: Inventory Turnover ratio measures the efficiency with which a Company utilises or manages its inventory. It establishes the relationship between sales and average inventory held during the period. It is calculated by dividing turnover by average inventory.

vi. Debtors Turnover Ratio: Debtors Turnover ratio measures the efficiency at which the firm is managing the receivables. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

vii. Trade payables turnover ratio: It indicates the number of times sundry creditors have been paid during a period. It is calculated to judge the requirements of cash for paying sundry creditors. It is calculated by dividing purchases by average trade payables.

viii. Net capital turnover ratio: It indicates a company's effectiveness in using its working capital. The working capital turnover ratio is calculated by dividing net sales by the average amount of working capital during the same period.

ix. Net (loss)/profit ratio: It measures the relationship between net profit and sales of the business.

x. Return on Capital Employed(ROCE): ROCE indicates the ability of a Company's management to generate returns for both the debt holders and the equity holders. It measures a Company's profitability and the efficiency with which its capital is used. ROCE is calculated by dividing the EBIT by capital employed.

xi. Return on investment (ROI): ROI is a financial ratio used to calculate the benefit an investor will receive in relation to their investment cost. The higher the ratio, the greater the benefit earned. ROI is calculated by dividing EBIT by average net worth.

Government support

Government of India has formulated various supportive policy measures for encouraging Indian electronics and telecom industry and proposed several incentive schemes which are applicable to the Company. The Company's products are eligible for Preference to Make in India (PMI) policy which is applicable for government procurement of telecom equipment. The company is also eligible to receive capital subsidy from the Modified Special Incentive Package (MSIPS) scheme. In FY 2023, Government of India approved the company under the modified design-linked Production Linked Incentive (PLI) scheme with an investment commitment of ₹ 750 crore during the scheme period. In FY 2022, the company and its products have also received approval from National Security Council Secretariat (NSCS) under the new Trusted Sources Mandate. The Company has been registered as a Karnataka ESDM company and is eligible for certain incentives as specified under the state ESDM policy from time to time. As a Department of Scientific and Industrial Research (DSIR) approved R&D center we are also eligible for benefits as specified by DSIR from time to time.

Research and development expenses

The Company tracks the latest telecom/networking industry standards, technology trends, consumer usage patterns, advancements in semiconductor as well as optical components and software development trends. Company's R&D efforts are geared towards defining and developing future-ready product portfolio with leading-edge features, in line with market trends and customer requirements. The Company maintains requisite R&D facilities, technology competence and skillsets that optimise product development time to deliver competitive products that meet the required technical and regulatory standards. Our Intellectual Property is in the form of our product design, software, know-how and know-why and some of it has been captured in the form of patents. As of March 31, 2023, our company and Saankhya Labs have cumulatively filed 445 Patents of which 217 patents have been granted.

V. COMPETITION AND STRENGTHS

Tejas has been successfully competing against many of the world's leading telecom equipment vendors from China, USA and Europe as well as local vendors from India. Our customers often cite the competitiveness of our products and our ability to keep them updated for future, our industry knowledge, technology strengths, world-class quality, highly responsive technical and supply chain support and a proven track record, as reasons for preferring us over our competitors both in India and internationally. The core competitive strengths of our business are summarised below:

Software-Defined Hardware™ Product Architecture:

Our products are characterized by a flexible architecture based around a proprietary software base and a common hardware platform. We have a portfolio of re-usable "building blocks" of hardware as well as software, which enables us to develop cost-effective and highly customisable products and also provides a time-to-market advantage. Our products utilize a programmable software-defined hardware architecture implemented with programmable semiconductor devices, and a common software code-base that delivers an app-like ease of development and upgrades of new features and technology standards. Further, our advanced software and hardware integration leads to higher performance and lower costs. We are able to help our customers manage costs by enabling them to extend the life of installed systems through regular software upgrades which help them transition across technology changes in their networks, without having to invest in new hardware purchases. Our software-led product approach also enables us to sell the same product globally by easily making country specific adaptations.

Platform Convergence with Multi-technology Integration:

Our products deliver a greater degree of service flexibility and performance to our customers through cost-effective integration of diverse technologies, access modalities and telecom functions in the same platform. Our leading-edge optical Access/Edge products combine 4G LTE/5G NR mobile RAN, xPON-based fiber-to-the-home (FTTH) broadband, multi-gigabit IP/Ethernet access (GE/10GE/100GE) and terabit-scale optical transmission technologies in a compact and energy-efficient shelf. Similarly, our optical Metro Core/Backbone products converge terabit-scale DWDM transport with multi-terabit OTN switching to help our customers achieve significantly lower cost per bit than our competitors. Moreover, we offer a versatile network management system that delivers substantial savings in operational costs to our customers by unifying service provisioning, monitoring and management across multiple technology layers in the same software.

Next-generation Wireless Products for 4G and 5G:

We have a differentiated portfolio of 4G/5G products for building both mobile and fixed wireless networks. Our company, along with its subsidiary Saankhya Labs, offers a diverse range of high-power 4G and 5G radio units operating in multiple frequency bands, supporting both TDD and FDD multiplexing technologies, while delivering advanced features such as massive MIMO, 5G broadcasting and software-defined radio (SDR) designs. Our novel 4G/5G baseband unit (BBU) platform also integrates optical transport and packet switching functions thereby avoiding hardware duplication and simplifying network management. We are currently one of the few telecom equipment companies in the world to offer both 3GPP and O-RAN compliant products for 5G RAN (Radio Access Networks).

Low Operating Cost Business Model:

Our business model is based on locating substantially all of our operations in India, except for international sales and support, which results in significantly lower operating expenses as compared to our global competitors. Further, since all our research and development is based in India, we are able to develop state-of-the-art products and are able to generate significantly better returns on our investments, by leveraging the availability of qualified and cost-effective engineering talent in India. We manufacture our products in India through partnerships with reputed Electronics Manufacturing Services (EMS) companies, which enables us to stay asset-light and cost-efficient in our production. We ensure high customer shipment quality by having an in-house manufacturing facility, that is focused on final integration, testing and quality control of our products. Our turn-key EMS model allows us to adjust our manufacturing capacity to meet changes in customer demand, while optimizing our working capital, since the EMS takes the responsibilities of sourcing and managing long-lead components. For our international sales, in addition to our direct sales force, we leverage our partnerships with local systems integrators as well as others telco OEMs to sell in to their customer base in the global markets. This allows us to keep our sales costs relatively low, while – expanding our reach to customers that may otherwise not be accessible to us.

Customer Retention and Significant Repeat Business:

We have a history of high client retention across our clients, both in India and Internationally and we derive a significant proportion of our revenues from repeat business, built on our successful execution of prior engagements. Once we win a customer for a particular application and prove our credentials, we try and increase our wallet share from the customer by expanding into new regions and by positioning other products from our end-to-end optical and access product portfolio. By offering highly responsive and high quality technical support as well as supply chain support, we are able to forge strong relationships with our clients and win repeat business from them, since they prefer to expand their networks with their existing suppliers, who have been performing well and on whose products their operations teams have been well trained. In the current fiscal year, a significant proportion of our net revenues from operations were from existing clients. In addition, some of our top revenue generating customers over the last three years have been using our products for over a decade.

Professional Management with Industry Experience:

We have a strong and experienced management team with deep industry knowledge. Our key management personnel comprising our Chief Executive Officer, Chief Technology Officer and Chief Operating Officer have advanced degrees in engineering from US universities and have an average of over 30 years of global experience. Several key members of our management team have been with us for more than ten years and have extensive experience in the industry. We have built our management team to include personnel having deep experience in R&D, Sales, Marketing, Support, Supply Chain Management, Finance, Human Resources, Administration etc. Our R&D leadership team has experience in optical communication systems, networking protocols, wireless and radio, FPGA design, embedded system software, application software, high-speed PCB design, thermal and mechanical design, product management, quality and test engineering and reliability engineering, working both in India as well as internationally.

Technology and Thought Leadership:

Tejas has been actively participating in various technology and industry forums and Tejas management personnel are well respected thought-leaders. Our CEO was the Chairman of India's leading trade and advocacy body, Federation of Indian Chamber of Commerce and Industry (FICCI) sectoral committee for Science, Technology and Innovation from January 2020 till December 2021 and has also been a Co-Chairman of the Telecom Export Promotion Council (TEPC) of India in the past. He has also represented the domestic telecom industry as a member of CII National Committee on Telecom & Broadband, as the Chairman of sub-committee on Globally Relevant 5G eco-system and as the Chairman of Government of India's Taskforce for the Telecom Chipsets. Tejas is one of the founding members of India's Telecom Standards Organisation (TSDSI) that aims at developing and promoting India-specific requirements, standardising solutions for these requirements and contributing to global standardisation activities in the field of telecommunications. Our Chief Technology Officer was the first chairman of TSDSI. Senior members of our technology office are contributing to TSDSI's work related to new optical backhaul and 5G RAN standards. We also hold membership in international standards bodies such as 3GPP and industry bodies such as BBF. Our other management leaders are also on the Governing council of Telecom Export Promotion Council of India (TEPC).

Favorable Policy Environment in India for Domestic Telecom Product Companies:

Government focus on building an "Atmanirbhar Bharat" that is self-reliant in core technology areas is expected to benefit domestic telecom equipment companies like us with strong R&D capabilities and in-house IPR. Both Central and State Governments in India are investing in telecommunications infrastructure projects such as Bharatnet Phase-II and III and Smart and Safe Cities, which have a significant telecom component. Government of India is expanding the scope of BharatNet to connect every one of the 650,000 villages in the country in the next few years. India's largest public sector operator is building a pan-India 4G network for which our company, as part of an Indian consortium, has successfully completed POC (proof of concept) testing of its indigenous RAN product. Our company has been approved under Government of India's design linked PLI scheme with an investment commitment of ₹ 750 crore during the scheme period. In addition, we benefit from Government policies such as Preference to Make in India ("PMI") Policy, which are targeted towards encouraging indigenous technology/ product development and design-led manufacturing companies like ours. With increased focus on telecom and cybersecurity, Government of India has recently amended telecom licensing rules to mandate use of only trusted products and sources (as defined by National Cyber Security Coordinator) by all public and private Telecom and internet service providers in the country from June 15, 2021 which is expected to help the domestic telecom vendors, who can be a considered as a trusted source. Our company and products have been approved under the Trusted Sources mandate.

Innovative Products for Focus Applications:

While our products are based on global telecom standards and can be used widely, our focus has been to build highly differentiated feature set for certain target applications that have a large market potential. Our unique software-defined hardware architecture gives a competitive edge to our products and enables us to win against global competitors. TJ1400, our ultra-converged broadband access/edge product, is a unique offering that enables a broadband operator to offer high-speed Internet services over fiber (FTTx)/ copper (Ethernet)/fixed and mobile wireless (LTE) while also integrating packet and optical transmission functions. Our advanced alien wavelength solution on TJ1600 platform for seamlessly transporting high- capacity 100G/200G/400G+ wavelengths without guard bands, on a third-party 10G DWDM network is field-proven with multiple optical vendors and is gaining strong market traction with Tier-1/ Tier-2 bandwidth service providers in emerging markets. TJ1600S/I is a versatile OTN and packet cross- connect product for backbone networks with a novel disaggregated "pay-as-you-grow" architecture that can realise multi- terabits of packet-optical switching. Across our product portfolio, we have one of the densest realizations of circuit emulation function in the industry today that allows a service provider to efficiently support legacy TDM services while transitioning to a next-generation packet switched infrastructure. Our mobile backhaul products can transcend multiple technology generations and the same base platform can transition from 2G/3G to 4G/5G through suitable hardware and software upgrades. With our efficient R&D processes and investments, we have developed an end-to-end product portfolio, starting from the edge of the network (fiber or wireless access) and going all the way to multi-terabit capacity optical metro core networks. Our products are optimised for building converged services networks that support multiple applications such as mobile backhaul, wholesale and enterprise bandwidth services, broadband access, critical infrastructure and optical network modernisation. Unlike competitive offerings in this space, all our products can be managed from a single Network Management System (NMS) that can provision services across multiple technology layers viz., Ethernet, MPLS-TP, IP/MPLS, DWDM, OTN and GPON/XGS-PON.

Market Leadership in India:

Tejas is a leading Company in India's optical networking market. Our products have been deployed by leading telecommunications operators in India, such as Bharti Airtel Limited, Reliance Jio, Vodafone-Idea, Tata Communications, Tata Tele services and Bharat Sanchar Nigam Limited, and many others, with whom we have long-standing customer relationships. Further, large public sector utilities such as Power Grid Corporation of India, RailTel Corporation of India, Indian Railways, Indian Oil Corporation, Oil India Limited, Delhi Metro, Gas Authority of India Limited have been our customers for many years. Our products incorporate several key requirements of emerging markets and are hence well suited for Indian market conditions. Our GPON products have also been selected by multiple pan-India and regional broadband operators for their FTTx rollouts. As a domestic company, Tejas is able to build deeper customer relationships through superior local market support and first-hand knowledge of domestic customer needs to build more relevant products. Further, the optical and data networking products business is characterised by a high-entry barrier because of the initial investment required in research and development, demand for skilled professionals across multiple domains and the up-front time taken to successfully develop the networking products and solutions. Due to our extensive history of operations in India and incumbency with key customers, we stand to benefit from the high-entry barrier against domestic competition.

Focused Sales Model for International Markets:

We have a focused sales model, where we target specific regions where we have a strong product-market fit. Our focus regions are typically large, high-growth markets, where we get a fair market access and where the technical/product requirements are in the sweet spot of our products. The recent geo- political developments have motivated our customers to consider a diversification of their sourcing from specific countries so as to reduce their supply chain risks and address their security concerns. We have proven ourselves be a very credible alternative and are seeing increased interest from our customers as a source of trusted, reliable, high- quality, technically-sound and cost- competitive products. Globally there are many specific initiatives for "rip-and-replace" in Europe and USA, which we are also targeting. In terms of emerging markets, we have already made inroads with over 100 customer wins in South Asia, South- East Asia, Africa and Americas, and we will continue to expand our sales investments and market share in these geographies. Since our products utilize a programmable software-defined hardware™ architecture, we are able to customize them to meet market- specific requirements of features and performance. Furthermore, we intend to increase our international sales and market share by becoming a part of large telecom export projects that the Government of India may secure using government to government line of credit and sovereign loans from EXIM Bank of India, especially for Africa, ASEAN and SAARC countries. We also use OEM channels (Original Equipment Manufacturer) and local System Integrators (SI) to gain access to those markets which we do not serve directly.

Proven Quality with Mature Development Processes:

We are TL9000 and ISO9001: 2008 certified for our quality management system. We have established sophisticated design, development and testing infrastructure in-house, which helps us monitor our quality management closely. Our optical networking products have successfully passed all tests and have received approvals from the Telecommunication Engineering Centre of India and have received Technical Specification Evaluation Certificate, signifying that our products meet the specifications set out by PSU customers in India. We have also been approved under various international standards such as MEF CE2.0, CE marking, cTUVus mark, FCC, ICES, Safety standard IEC60950-1 in connection with our products. We also comply with European Union directives on electronics waste, Waste of Electrical and Electronics Equipment and Restriction on the use of Hazardous Substances and our Environmental Management System is ISO 14001 certified. We have built a reputation for technologically-advanced, high-quality products that are supported by our reliable customer service. In FY 2022 we also received ISO 27001 certification for our information security management. We have shipped over 750,000 systems since inception and our products have consistently delivered a field uptime exceeding 99.999% since 2008.

VI. OPPORTUNITIES

The global telecom service provider equipment market can be broadly classified into wireless and wireline segments. The wireless segment predominantly consists of Mobile RAN (Radio Access Network) and Mobile Core products whereas the wireline segment mainly includes Broadband Access, Optical Transmission, Switches and Routers. With our current portfolio of products, we are able to address a significant portion of this market. At a global level, the total addressable market (TAM) for Tejas's wireline products is estimated to grow from \$15.2 Billion in 2022 to \$32.7 Billion by 2027. Similarly, the global TAM for Tejas's wireless products is estimated to grow from \$2.4 Billion in 2022 to \$30.5 Billion by 2027. All of the major geographic markets in the world are significant addressable markets for these product segments.

Emergence of High-Speed Mobile Broadband Networks (4G and 5G):

The telecom industry is witnessing an increasing adoption of high-speed mobile broadband technologies based on 3GPP standards. Mobile networks are rapidly evolving from 2G/3G to 4G/5G technologies driving a strong demand for 4G and 5G RAN (Radio Access Network) equipment, comprising both baseband and radio units. Although 5G has been launched in a few large markets, including India, 4G has significant room to grow in developing countries. As per GSMA, nearly 77% of mobile subscribers in Sub-saharan Africa, 34% in Latin America, and 42% in CIS countries were using 2G/3G services in 2022. In India, the country's leading public sector telco is in the process of launching a pan-India 4G network which will be subsequently upgraded to 5G. We are well positioned to play a key role in this large rollout in the coming year. Further, success in India will serve as a powerful reference with telcos in other emerging markets deploying similar 4G and 5G networks.

Growing Demand for High-capacity Optical Transmission & Switching:

5G is driving an explosion in the use of powerful smartphones, larger deployment of network-enabled IoT devices, and deeper fiberisation to support micro base stations deployed closer to the consumers on street lights, lamp posts etc. This, in turn, is placing additional demands on mobile backhaul networks driving a greater demand for terabit-scale optical transport and switching equipment in the Aggregation, Metro and Core networks. Besides this, 5G is also opening up new opportunities for optical networking products on high-speed, short reach optical fronthaul links connecting geographically separated 5G RUs (Radio Units) to 5G CU/DUs (Centralized/Distributed Units).

Accelerated Adoption of Fiber Broadband Services:

In wired broadband networks too, broadband access speeds are growing with multi-gigabitfiber-based home and office broadband fast replacing copper-based broadband services based on xDSL technologies. Today, on fiber-based access networks, popularly referred to as Fiber-to-the-Home/Curb/Premises (FTTx), next-generation xPON (GPON, XGS-PON) technologies can deliver up to ten gigabits of access speed to a fixed residence, cell tower or a business location. Newer xPON technology variants such as HS-PON are expected to increase this to 25G and 50G speeds in the near future. The pandemic further accelerated the need for high-speed, reliable and secured networks given the new trends such as work-from-home, remote learning, telemedicine, entertainment, e-commerce, etc.

Digital Transformation of Enterprises and the rise of Hyperscalers:

Migration to cloud-based services is a major driver for network evolution. Businesses worldwide are increasing their usage of online applications and services that are delivered over the cloud which is driving the need for high-speed data services. In addition, the emergence of web-scale internet companies (ICPs) is leading to large-scale construction of hyper-scale data centres and a significant growth in data traffic and optical networks. ICPs have significant bandwidth requirements for data center interconnectivity (DCI) and are among the first to deploy high-speed 200G, 400G and 600G optical channels on optical networks. The emergence of DCI is also resulting in a demand for newer types of optical networking equipment that are specially optimized for such applications which has further enhanced its market potential. High bandwidth content such as mobile applications, games and high- definition videos are being created and consumed worldwide. Video-centric services such as Netflix, Amazon Prime and YouTube are dominating data traffic and traditional telecommunication services such as short message service are being replaced by Internet applications services such as instant messaging, social networking and e-mails.

Pent-up Demand for Cellsite Fiberisation in India:

The rapid increase in data and broadband traffic is driving the need for operators to increase backhaul capacities. As a result, globally microwave-based mobile backhaul technology is trending down in favor of optical-fiber based backhaul. Compared to other developed countries and many emerging economies, India is vastly underserved in terms of fiber connectivity to cell-sites, with less than 35% connectivity. Hence, with the advent of 4G/LTE and 5G, a larger proportion of an Indian operator's capex will continue to go into optical networking especially in the aggregation and metro networks and India is expected to be one of the world's fastest growing optical networking market for many years. In addition, while India has over 806 million mobile broadband connections, less than 34 million homes have wired broadband connections. Several ISPs and broadband operators are therefore planning to roll out fiber-to-the- home (FTTx) networks based on GPON technology to serve this market and it is projected that by 2030 over 100 million homes in India will have a fiber broadband connection.

Increasing Government Investments in Broadband Networks:

Government of India has rolled out one of the largest greenfield networks for rural broadband connectivity called Bharatnet on GPON-based fiber broadband technology. BharatNet project utilises funds from the Universal Service Obligation Fund (USOF) to invest in building a pan-India rural broadband network. In BharatNet Phase-1 and Phase-2, over 150,000 gram panchayats have been connected, which is being implemented by the center as well as many state governments, which is being extended to every one of the 650,000 villages in the country in the next few years. In addition, as per ITU, similar national optical networking projects are being undertaken by the governments of over 150 countries around the world, both in the developing and developed economies of the world which will significantly boost global optical equipment spending. Optical equipment and Ethernet switches are also used in other government networks such as those for defence and smart/ safe cities.

Optical Network Modernisation:

The rapid growth of data traffic in telecom networks is driving the need to replace ageing and inefficient TDM infrastructure in aggregation and metro networks with modern-day optical equipment built on Ethernet, IP and various packet technologies. However, given the large installed base of such TDM equipment (especially in markets like USA and across sectors such as utility and financials globally) it is operationally difficult for operators to replace this infrastructure abruptly and there is a clear need to make this transition smoother. Coupled to this is a large access network infrastructure using legacy TDM interfaces which the operators want to retain to avoid the risk of customer churn. Given all this, the optical network modernization requires packet transport network (PTN) equipment with advanced capabilities such as high-capacity circuit emulation, high quality packet synchronisation and scalable sub-50ms protection switching for thousands of services. In advanced markets such as USA there is a significantly large opportunity and demand for cost-effective solutions that can address this optical network modernization challenge.

VII. RISKS AND CONCERNS

Business Risks:

A significant portion of our business is generated from a limited number of large customers, who have substantial negotiating leverage with us. Our business operations may fluctuate due to a variety of factors such as loss of key customers, fluctuation in demand and sales volume, timing and size of customer capital spends, inventory management practices and timely collection of receivables. Our gross margins and revenues are a function of our product and geographical mix that can sometimes turn unfavorable and adversely impact our business prospects. The telecommunications industry is highly competitive and the acquisition of new customers often calls for aggressive pricing besides state-of- the-art technology, support and quality. Since we compete against several equipment suppliers who are much larger than us in size and have far greater significant financial and marketing strengths, these competitors may offer lower prices, offer long-term low cost financing, run expensive campaigns to attract customers or announce other attractive offers that we may not be able to match and hence impact our business.

Industry Risk:

The telecommunications industry is dynamic and displays significant demand variations and lumpiness in short periods of time due to changes in the risk appetite of our service provider customers that can either delay purchases or lower their purchase volumes in response to perceived risks in the external environment. In the Indian market, we may see short term financial stress as well as industry consolidation amongst our customers, which may also impact our business. Although we expect the industry segments we operate in to stay healthy in the long and medium term, the industry has gone through multiple economic downturns in the past that have seen sharp drops in capital spending by telecom operators. Sometimes the slowdown in investments is seen to be restricted to certain geographies or limited to specific industry segments, in which case our business in those geographies or from those product lines could be adversely impacted. Besides this, our inability to effectively respond to new developments in our markets arising from a growth in IP-based communications, emergence of new buyer categories such as OTTs (Over The Top) etc., can reduce our market power and impair our financials.

Technology Risk:

Our industry is characterised by rapid technological changes, customer requirements, evolving industry standards and launch of new products and services by our competitors. Our future success will depend largely on our ability to effectively anticipate and adapt to such changes by incorporating these in the form of new hardware or software features in our products. We have developed our solutions based on certain widely accepted industry standards that may either undergo changes, become obsolete or have reduced market acceptance owing to competing standards. Moreover, the use of open standards makes it possible for our competitors to develop similar products and services that are based on the same technology which can increase competitive pressure. Unless we respond quickly enough to such market challenges, either by repositioning our solutions or introducing new solutions with superior characteristics, our business, revenue and growth prospects would be adversely affected. However, developing new products and services in this industry is complex, expensive and often requires long hardware and software development cycles that require significant amount of resources which may not always be possible. In many cases, we may be required to obtain special certifications or approvals before our solutions can be introduced in new geographies or to new customers in existing geographies. Our ability to expand our international operations may sometimes be constrained by such country specific regulations or standards that may require us to redesign our existing solutions or develop new products suitable for these countries. The cost of complying with evolving standards and regulations, or our failure to obtain timely domestic or foreign regulatory approvals or certifications, may prevent us from selling our solutions where such standards or regulations apply, Our industry is characterised by rapid technological changes, customer requirements, evolving industry standards and launch of new products and services by our competitors. Our future success will depend largely on our ability to effectively anticipate and adapt to such changes by incorporating these in the form of new hardware or software features in our products. We have developed our solutions based on certain widely accepted industry standards that may either undergo changes, become obsolete or have reduced market acceptance owing to competing standards. Moreover, the use of open standards makes it possible for our competitors to develop similar products and services that are based on the same technology which can increase competitive pressure. Unless we respond quickly enough to such market challenges, either by repositioning our solutions or introducing new solutions with superior characteristics, our business, revenue and growth prospects would be adversely affected. However, developing new products and services in this industry is complex, expensive and often requires long hardware and software development cycles that require significant amount of resources which may not always be possible. In many cases, we may be required to obtain special certifications or approvals before our solutions can be introduced in new geographies or to new customers in existing geographies. Our ability to expand our international operations may sometimes be constrained by such country specific regulations or standards that may require us to redesign our existing solutions or develop new products suitable for these countries. The cost of complying with evolving standards and regulations, or our failure to obtain timely domestic or foreign regulatory approvals or certifications, may prevent us from selling our solutions where such standards or regulations apply, thus adversely affecting our operating results and growth prospects.

Operational and Supply Chain Risk:

We depend on a limited number of external EMS companies and component suppliers for our manufacturing needs. Any failure on their part to deliver our products on time or in the performance and quality standards can have an adverse impact on our business. In order to ensure business continuity, we have arrangements with multiple EMS organizations to provide us additional flexibility to change organizations if there is any kind of disruption at one facility. In spite of these measures, depending on the severity of the disruption it may not be possible for us to entirely alleviate its effects on the production of one or more of our product families. As far as possible, we source our components from multiple suppliers (multi-sourcing) to minimize impact of adverse events and to accommodate sudden, unforeseen increase in customer demand for our products. But despite our best efforts, for certain specific functionality, we have to rely on a single supplier for certain critical components in our products. In such cases, we are subject to supply chain risks from these single- sourced components, which could be on account of their lead times, costs, availability and quality.

The ongoing global semiconductor chip shortage has increased lead times and costs for many components used by us, including those which are single-sourced. inventories also poses a risk to our business. To mitigate this, we have to take long-term forecasting and inventory actions with our suppliers, while we may not have similar forecast from all our customers. . Any failure on our part to forecast, plan, procure and manage the requirement of chips and the rest of our inventories could have an adverse impact on our business, with either excess levels of inventories or shortage of inventory to meet our customer demand.

Our success of business execution depends to a significant degree upon our continued ability to attract and retain highly-skilled personnel for our research and development, sales and marketing, customer support, manufacturing, finance and operations teams. While we continually strive to adopt best practices in human resources and provide attractive compensation, including equity-based rewards, to attract and retain talent, the loss of services of any of our key personnel, significant increase in attrition level or our inability to attract new talent could make it difficult to execute our business.

Environment Risk:

The Company is subject to credit risks, interest rate risks, refinancing risks and liquidity risks and the Company will adopt various measures at different points in time to counter these risks successfully. However, if these risk mitigation strategies do not prove to be successful, the health of the Company is likely to be adversely affected. As our international sales increase, we will increasingly be subjected to foreign exchange risks. Besides foreign exchange risks, our prospects can be impacted by the political developments in the countries we operate in such as governance instabilities, degree of privatization or sudden restrictions on the flow of goods to/from these countries.

Legal and Regulatory Risk:

There are outstanding legal proceedings against the Company and certain subsidiaries that are incidental to our operations, related to various tax proceedings which are pending at different levels of adjudication before courts, tribunals and appellate tribunals. While we are contesting the same, if these are not decided in our favor, may adversely affect our business and reputation. Intellectual Property (IP) is a critical element of our business and we will continue to apply for both domestic and international patents to improve our competitive advantage in the market. However, it is possible that some of these patent rights may be overturned by our competitors that will prevent us from selling the products that make use of these patents in their manufacture or compel us to pay royalties or licensing fees to our competitors. The telecommunication industry is driven by regulations and standards. Evolution or emergence of new standards that directly impinge on the types of products we manufacture or regulations that have a bearing on the services that these products deliver can affect our development costs or lower the business potential of these products. Sometimes, there may be alternate standards that may evolve in parallel and our investments in a standard that eventually loses out can lead to a decline in sales for associated products.

Credit Risk:

We are exposed to credit risk on the amount owed to us by our customers and these trade receivables are typically with no security and collaterals which are unsecured in nature. We periodically monitor individual customer payment capability in granting such open credit arrangements, and consider its creditworthiness, its past payment performances and communication with those customers. If our customers do not pay us promptly and if we are not able to collect the same or at all, we may have to make provisions for, or write-off such amounts.

Liquidity Risk:

The principal sources of liquidity are cash and cash equivalents, and the cash flow that is generated from operations through internal accruals. We may be expose to liquidity risk if we do not generate enough cash flow from operations, and the free cash flows.

Pandemic Risk COVID-19:

Post COVID-19, due to increased demand for semiconductor chips and disturbance in global supply chain, we have faced long-lead times as well as shortage of many semiconductor components that are used in our products. In addition, many component suppliers have declared End-of-life for some of their older/slow moving products, which has resulted in delays in our ability to fulfill customer orders. We closely monitored this situation and by taking appropriate advance inventory actions and realignment of our supply chain processes, we have been able to mitigate these challenges.

CORPORATE GOVERNANCE REPORT

Corporate Governance Report

i. *The Corporate Governance Report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 (the "Act") and forms part of the Annual Report for the year ended March 31, 2023.*

ii. *Unless otherwise stated, the disclosure made in this report is for the year ended March 31, 2023.*

iii. *The term "Company" or "Tejas" shall mean and include "Tejas Networks Limited".*

iv. *The confirmations/ disclosures are based on the records and information as made available to the Board of Directors, to the best of their knowledge and belief, according to information as available with them and explanations obtained from the management.*

The Corporate Governance is a system of structures and processes to direct and control companies. It specifies the distribution of rights and responsibilities among company's stakeholders and articulates the rules and procedures for making decisions on corporate affairs. The importance of Corporate Governance lies in its contribution both to business prosperity and accountability and hinges on total transparency, integrity of the Management and the Board of Directors. The Company recognizes that the enhancement of corporate governance is one of the most important aspects in terms of achieving the Company's goal of enhancing corporate value by deepening societal trust. Strong corporate governance founded on values is the bedrock of the sustained performance at the Company and fuels the Company's vision to achieve the respect of stakeholders. The Corporate Governance is about 'intellectual honesty' and not just sticking to rules and regulations, capital flowed towards companies that practiced this type of good governance.

Elements of good Corporate Governance

The Corporate Governance encompasses a set of systems, principles, ethics, values, morals, rules regulations, procedures and practices which ensures that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. This demands that the Corporate Governance integrates all components of good governance by carefully balancing the inter-relationship among the Board of Directors, Board Committees, Finance, Compliance and Assurance teams, Auditors and the Senior Management.

The Organisation for Economic Co-operation and Development (OECD) principles of Corporate Governance or OECD code states that five pillars of Corporate Governance which are

i. Protecting the rights of Shareholders;
ii. Ensuring equitable treatment of all Shareholders for an effective grievance redressal system;
iii. Recognising the rights of Stakeholders as established by law;
iv. Ensuring the timely and accurate disclosure regarding the Company including the financial situation, performance, ownership and governance of the Company;
v. Ensuring the strategic guidance of the Company, effective monitoring arrangement by the Board and the Board's responsibility to the Company and the Shareholders.

Corporate Governance Framework at Tejas

In Tejas, Corporate Governance is all about maintaining a valuable relationship and trust with all the Stakeholders. Tejas considers the Stakeholders as partners for its success and remain committed to maximizing Stakeholders' value. This approach to value creation emanates from Tejas belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. Tejas believes that any business conduct can be ethical only when it rests on the six core values viz. Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. Over the years, the Company strengthened its governance practices with an endeavour to achieve higher standards and provide oversight and guidance to the Management in strategy implementation, risk management and fulfilment of stated goals and objectives.

The Company has set the following as its Corporate Governance Philosophy:

i. Compliance and act in the spirit of law which is ethical, legal and statutorily right and not just the letter of law which is convenient and comfortable.
ii. Transparent procedures and practices with high level of integrity and decisions based on adequate information and build simple, transparent processes driven by business needs of all stakeholders to earn trust and respect from the stakeholders.
iii. Ensure independence of the Board and effectiveness of the Management with well-defined policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
iv. Complete, timely and high levels of disclosure of relevant financial and operational information to all Stakeholders and follow openness and clarity in the communication with all our Stakeholders.
v. Well-defined corporate structure that establishes checks and balances and delegate decision making to appropriate levels in the organisation though the Board always remains in effective control of affairs.

Roles of the Tejas constituents in the Corporate Governance of the Company

a) The Board of Directors

The Board of Directors are in a fiduciary position, empowered to oversee the Management functions with a view to ensure that the Management functions are effective and enhance the Shareholder's value and also provides strategic direction, reviews and approves Management's business objectives and plans.

b) The Chairman

The Chairman of the Board is to provide leadership to the Board and guidance and mentorship to Managing Director and Chief Executive Officer and the Executive Director for realizing the approved strategic plan and business objectives. The Chairman presides over the Board and the Shareholders' meetings.

c) The Non-Executive Director and the Independent Directors

The Non-Executive Director and the Independent Directors play a critical role in enhancing balance to the Board processes with their independent judgment on issues of strategy, performance, resources, standards of conduct, safety, etc., besides providing the Board with valuable inputs.

d) The Managing Director and Chief Executive Officer

The Managing Director and Chief Executive Officer is fully accountable for the Company's business development, operational excellence, business results, leadership development and other related responsibilities.

e) The Executive Directors and the Senior Management Personnel

The Executive Directors along with the Senior Management Personnel are responsible to the strategic management of the Company's businesses within Board approved direction and framework. They assume overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

In line with the Tejas commitment to good corporate governance practices and compliance with the provisions of the Act and Listing Regulations, the Company has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee consisting of majority of Independent Directors. The Company has complied with all applicable norms of Corporate Governance as applicable to Listed Public Company as envisaged under the Companies Act, 2013, the Listing Regulations and applicable Secretarial Standards on Board and General Meetings issued by the Institute of Company Secretaries of India.

1. The Board of Directors

The Board of Directors ('The Board') is at the helm of the Tejas Corporate Governance practice and has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board recognizes that governance expectations are constantly evolving and it is committed to keeping its standards of transparency and dissemination of information under constant and continuous review to meet both letter and spirit of the law and demanding levels of business ethics and integrity. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth and ensures compliance with laws and regulations impacting the Company's business. The operations of the Company are conducted under the supervision and directions of the Board of Directors within the framework set by the Act and its Memorandum and Articles of Association, SEBI Guidelines and Listing Regulations and it has delegated the operational conduct of the business to the Managing Director and CEO of the Company.

a. Composition of the Board

In line with the Listing Regulations, the Company has an optimal combination of Executive and Non-Executive Directors. As on March 31, 2023, the Company has Eight Directors and the composition of the Board is as provided herein below. The Chairman of the Board is a Non-executive and Non-Independent Director and 75% of the Board's strength are Non-executive Directors. The Independent Directors constitute 50% of the Board strength with one woman member who is an Independent Director.

The profiles of directors is available on Company's website at www.tejasnetworks.com/board-of-directors.php.

Category	No. of. Directors	Percentage of total strength of the Board (rounded-off)
Non-Executive and Non- Independent Directors	2	25
Executive Directors	2	25
Independent Directors	4	50

The composition of the Board and the Directorships held by them as on March 31, 2023 are as follows:

Name of the Director	Age	Executive / Non-executive	Position	Name of Indian listed companies	All Companies	Committee memberships[2]	Chairman of Committee[2]
N. Ganapathy Subramaniam[3]	64	Non-Executive/ Non-Independent	Chairman and Nominee Director	Tata Consultancy Services Limited Tata Elxsi Limited Tata Communications Limited Tejas Networks Limited	5	-	-
Chandrashekhar Bhaskar Bhave	72	Non-Executive/ Independent	Director	Tejas Networks Limited Avenue Supermarkets Limited Mahindra and Mahindra Financial Services Limited	7	1	4
A. S. Lakshminarayanan	62	Non-Executive/ Non-Independent	Nominee Director	Tata Teleservices Limited Tata Communications Limited Nelco Limited Tejas Networks Limited	5	2	-

P R Ramesh[4]	68	Non-Executive/ Independent	Director	Tejas Networks Limited Nestle India Limited Cipla Limited Crompton Greaves Consumer Electricals limited Housing Development Finance Corporation limited	10	4	3
Prof. Bhaskar Ramamurthi[4]	63	Non-Executive / Independent	Director	Tejas Networks Limited	2	-	1
Alice G Vaidyan[5]	63	Non-Executive / Independent	Director	Geojit Financial Services Limited Tejas Networks Limited	8	4	1
Sanjay Nayak	58	Executive	Managing Director and Chief Executive Officer	Tejas Networks Limited	2	1	-
Arnob Roy	59	Executive	Executive Director and Chief Operating Officer	Tejas Networks Limited	2	1	-

Notes:

[1]Directorships in companies (listed, unlisted and private limited companies) including Tejas Networks Limited and its subsidiaries.

[2]The disclosure includes Membership/Chairman of the Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted).

[3] Appointed as Non-Executive and Non-Independent Chairman wef May 18, 2022.

[4] Appointed wef June 27, 2022.

[5] Appointed wef March 29, 2023.

b. Appointment and Tenure of the Board

The Board, on recommendations of the Nomination and Remuneration committee, subject to the approval of the Shareholders, considers the appointment and re-appointment of Directors. The Nomination and Remuneration committee, based on defined criteria such as existing composition of the Board, the tenure as well as the years left of the existing members to serve on the Board and the need for new domain expertise for the appointment of new member, makes recommendations to the Board on the induction of new directors who are appointed as Additional Directors and then the Board recommends appointment of the Director to the Shareholders for their approval.

The main criteria followed by the Board for appointment includes:

i. The composition and size of the Board, which commensurate with the size of the Company, its portfolio, geographical spread with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;

ii. The desired age and diversity of the Board Members; their personal characteristics, professional qualifications, expertise and experience in specific area of relevance to the Company;

iii. The avoidance of any present or potential conflict of interest;

iv. The availability of time and other commitments for proper performance of duties.

As regards the tenure of Directors, following is the policy adopted by the Board:

i. **Executive Directors** - The Executive Directors on the Board are appointed as per the provisions of the Act and serve in accordance with the terms of their contract of employment/ service with the Company and are liable to retire by rotation.

ii. **Non-Executive Directors** - The Non-Executive Directors on the Board are appointed as per the provisions of the Act and are liable to retire by rotation.

iii. **Independent Directors -** The Independent Directors on the Board are appointed as per the provisions of the Act and Listing Regulations and their tenure is consistent with the Act and Listing Regulations. The Independent Directors can serve a maximum of two terms of five years each, subject to the approval of the Shareholders by way of special resolution and are not liable to retire by rotation.

c. Board Process and Meeting

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The notice of Board / Committee Meetings is given in advance and the Meetings are held in Bangalore. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company which is circulated a week prior to the date of the Meeting. The Agenda covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable and includes an Action Taken Report comprising of actions emanating from the Board Meetings, status updates thereof and also includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. With a view to leverage technology and as a part of green initiative and to reducing paper consumption, the Company sends the Board / Committee Agenda in electronic form.

To enable the Board to discharge its responsibilities effectively, the Managing Director and Chief Executive Officer apprises the Board at every Meeting of the overall performance of the Company, followed by presentation(s) by Chief Operating Officer, Chief Technology Officer and the Senior Management. A detailed functional Report is also presented at the Board Meeting(s).

The Board in general considers and discuss on:

i. The corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
ii. The fiduciary responsibility so that it ensures that the Company has clear goals aligned to maximizing shareholder value and its growth and directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.
iii. The Company's governance practices and effective monitoring of the Management and its accountability to the Company and the Shareholders.
iv. Board succession planning and strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations;

The maximum gap between any two Board meetings did not exceed 120 days during the year. There were seven Board Meeting held for the year 2022-2023, the details of which are as follows:

1.	April 22, 2022	5.	October 21, 2022
2.	June 27, 2022	6.	February 6, 2023
3.	July 25, 2022	7.	March 29, 2023
4.	September 29, 2022		

The attendance of Directors at Board Meeting for the year ended March 31, 2023 and at the 22nd Annual General Meetings held on July 26, 2022 are as under:

Name of the Director	Whether attended last AGM	Board Meeting Number 1	2	3	4	5	6	7	Held during tenure (A)	Attended (B)	% of attendance (B/A)
N. Ganapathy Subramaniam	Yes	Present	Present	Present	Leave of absence	Present	Present	Present	7	6	86
Amb. Leela K Ponappa[1]	Yes	Present	Present	Present	Present	Present	Present	Not applicable	6	6	100
Chandrashekhar Bhaskar Bhave	No	Present	Present	Present	Present	Present	Present	Present	7	7	100
A S Lakshminarayanan	Yes	Present	Present	Present	Present	Present	Present	Present	7	7	100
P R Ramesh[2]	Yes	Not applicable	Not applicable	Present	Present	Leave of absence	Present	Present	5	4	80
Prof. Bhaskar Ramamurthi[2]	Yes	Not applicable	Not applicable	Present	Present	Present	Present	Present	5	5	100
Alice G Vaidyan[3]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Sanjay Nayak	Yes	Present	Present	Present	Present	Present	Present	Present	7	7	100
Arnob Roy	Yes	Present	Present	Present	Present	Present	Present	Present	7	7	100
Balakrishnan V[4]	Not applicable	Present	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	1	1	100
Dr. Gururaj Deshpande[5]	Not applicable	Present	Present	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	2	2	100

[1]Retired wef February 16, 2023 [2]Apponied wef June 27, 2022 [3]Appointed wef March 29, 2023
[4]Resigned wef April 23, 2022 [5]Resigned wef June 28, 2022 : Present; : Leave of absence; : Not applicable

d. Core competencies of the Board

The importance of a diverse and skilled Board is recognised around the world. It is more than a necessity considering the complex and dynamic business environment. The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed, basis the recommendation of Nomination and Remuneration Committee, are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

The Board of Directors has identified the following core competencies/ expertise/ skills required for the Company:

S.No	Skill Set and description	N G Subramanaiam	C B Bhave	P R Ramesh	Prof. Bhaskar Ramamurthi	A S Lakshminarayanan	Sanjay Nayak	Arnob Roy	Alice G Vaidyan
1	**Business Leadership and Operations:** Deep knowledge of the telecom industry to provide important insights and perspectives to the Board on the Company's commercial, strategic, manufacturing, legal and other functions. Leadership experience resulting in a practical understanding of the Company's processes, develop talent, succession planning and driving the long term growth strategy of the Company and also appreciation of long-term trends, strategic choices and experience in guiding and leading management teams.	E	E	E	E	E	E	E	E
2	**Technological expertise:** Background in technology, anticipation of technological trends, suggestions and creation of emerging business ideas.	E	P	P	E	E	E	E	P
3	**Industry experience or knowledge:** Knowledge and experience in telecom sector to provide strategic guidance to the management.	E	P	P	E	E	E	E	P
4	**Financial and Risk Management:** Wide-ranging financial skills, accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices.	E	E	E	E	E	E	E	E
5	**Governance:** Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values.	E	E	E	E	E	E	E	E
6	**Strategic Management:** Guiding the executive management in formulation and implementation of the major goals and initiatives of the Company	E	E	E	E	E	E	E	E

P - Proficient, E - Expert

e. Board Evaluation

Pursuant to the provisions of the Act, Listing Regulations and the Governance Guidelines, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and that of Individual Directors. The Nomination and Remuneration Committee approved a framework in the form of a questionnaire for annual evaluation of the Board, Board Committees and Individual Directors.

During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and of the Directors. The performance of the Directors was evaluated after seeking inputs from all the Directors other than the one who is being evaluated and the performance of the Committees was evaluated after seeking the inputs of committee members on the criteria such as understanding the terms of reference, committee composition, independence, contributions to Board decisions, etc. The evaluation was also based on the criteria such as Director's knowledge, understanding and commitment of their role, Company's vision and mission, market potential, qualification, skill and experience, openness in communication, etc. The above criteria are as provided by the Guidance Note on the Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of Executive Directors and Non-Independent Directors in the aforesaid meeting. The Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director being evaluated. The evaluations were then discussed in the Board

Meeting, the meeting of the Independent Directors and at Nomination and Remuneration Committee.

The Board evaluation report is submitted to the Chairman of the Board and the Chairman of Nomination and Remuneration Committee. The Chairman of the Board discussed the outcome of evaluation of the individual Directors separately with them in detail. The evaluation report contains an executive summary of findings and several key recommendations from the evaluation process. The report of the Board evaluation were adopted by the Nomination and Remuneration Committee and the Board.

In the evaluation of the Board and its Committees, the following major observations/suggestions emerged

- There should be a strong focus on compliance and governance, good engagement on key business issues, and increasing focus on the core business;
- The Board needed to consider talent across various functions including management, technical and operational for strategizing the company to the next level.
- The Board should ensure that the Company follows a policy of zero tolerance for all ethical violations or misconducts and an increased focus on safety is essential and should be emphasized across the Company;
- The Board also noted that given the changing external environment the Company should be prepared for any likely disruption.
- The Board agreed that the organization was focused in the right direction of creating a 'purpose-driven' organisation.
- The need for having better understanding of competitive landscape in a dynamic business environment and importance of being updated in the emerging technology areas relevant for the Company.

2. Independent Directors

The Company has four Independent Directors as on March 31, 2023 including one Woman Independent Director and all the Independent Directors satisfy the criteria of Independence as laid down in the Act and the Listing Regulations. The Board ensures that its Directors meet the eligibility criteria for the appointment as Independent Director and are independent to the management.

a. Changes in the constitution

During the year under review, the following changes occured in view of resignation/ retirement/ induction of the members of the Committee

S.No	Name of the Member	Date of Change	Reasons for change
1	Balakrishnan V	April 23, 2022	Resigned, consequent to resignation from the Board
2	P R Ramesh	June 27, 2022	Inducted consequent to the appointment in the Board
3	Prof. Bhaskar Ramamurthi	June 27, 2022	Inducted consequent to the appointment in the Board
4	Amb. Leela K Ponappa	February 16, 2023	Ceased to be Member, consequent to the retirement from the Board
5	Alice G Vaidyan	March 29, 2023	Inducted consequent to the appointment in the Board

b. Composition of the Independent Directors

The composition of the Independent Directors as on March 31, 2023 is in accordance with the Act and the Listing Regulations and consist of:

S.No	Name of the Member
1	Chandrashekhar Bhaskar Bhave
2	P R Ramesh
3	Prof. Bhaskar Ramamurthi
4	Alice G Vaidyan

c. Appointment

The following is the policy adopted by the Board in the appointment of Independent Directors:

i. The appointment and tenure of Independent Director to be in line with the requirements with the Act and the Listing Regulations and must not be disqualified from being appointed as Director in terms of the applicable provisions of the Act and the Listing Regulations.

ii. The Independent Director must meet the baseline definition and criteria on independence as set out in the Act and Listing Regulations and other applicable regulations.

iii. The Independent Directors will serve a maximum of two terms of five years each in line with the requirements of the Act and are not to be on the Board of more than seven listed companies and if they are serving as a Whole-time Director in any listed Company then it shall be restricted to three listed companies.

iv. The Company would not have any upper age limit of retirement of Independent Directors from the Board.

v. At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Act, Listing Regulations and by the Company, among other disclosures to the Board.

d. Meeting of Independent Directors

The Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Independent Directors of the Company generally meet among themselves after every quarterly Board meeting, without the presence of the Executive Directors/ Non-Executive Directors and members of the Management of the Company. The purpose of these meetings is to promote open and candid discussion among the Independent Directors and in particular they discuss, amongst other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board including the Chairman.

The following items were considered and reviewed by the Independent Directors:

i. Review of performance of Executive Director and Non- Executive/ Non-Independent Directors and the Board as a whole;

ii. Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. The performance of the Company, Corporate Strategy, risks, competition, succession planning of the Board and the management;

iv. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

e. Formal letter of appointment to the Independent Directors

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties as Directors of the Company. The terms and conditions of appointment of Independent Directors is available on the Company's website www.tejasnetworks.com.

3. The Committees of the Board

The Committees of the Board are the fulcrum for ensuring fair practices and transparency which is conducive for various stakeholders by enabling fair and transparent disclosure practices.

The Board currently has five Committees:

i. Audit Committee
ii. Nomination and Remuneration Committee
iii. Stakeholders' Relationship Committee
iv. Corporate Social Responsibility Committee
v. Risk Management Committee

The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, Listing Regulations and are also reviewed by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members to the Committees. The meetings of each Committee of the Board are convened by the Company Secretary in consultation with the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

The quorum for the meeting is the higher of two members or one-third of the total number of members of the Committee. Normally, all the Committees meet four times a year. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The recommendations of the Committees are submitted to the Board for approval and the minutes of the meetings of all Committees are also placed before the Board for review.

Composition of the Committee

The Committees are constituted in accordance with the Act and the Listing Regulations consisting of majority of Independent Directors to deal with specific areas / activities as mandated by applicable regulations and by the Charter.

The composition of committes as on March 31, 2023:

Name of the Director	Category	Audit Committee	Nomination and Remuneration Committee	Stakeholders relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
N. Ganapathy Subramaniam	Non-Executive & Non- Independent	-	Member	-	-	-
Chandrashekhar Bhaskar Bhave	Independent	Chairman	Member	-	-	Member
A. S. Lakshminarayanan	Non-Executive & Non- Independent	Member	-	-	-	-
P R Ramesh	Independent	Member	Chairman	-	-	Chairman
Prof. Bhaskar Ramamurthi	Independent	-	-	Chairman	Chairman	Member
Alice G Vaidyan	Independent	-	-	Member	Member	-
Sanjay Nayak	Executive	-	-	-	-	-
Arnob Roy	Executive	-	-	Member	Member	-
Total		3	3	3	3	3

Chairman   Member

I. Audit Committee

In accordance with the Listing Regulations and requirements of the Act, the Audit Committee of the Company is constituted with three Directors with two-thirds of the members of the Commitee are Independent Directors including the Chairman who is also a Non-Executive Independent Director. The majority of the members of the Committee are financially literate and have adequate accounting and financial management expertise. The Committee reports to the Board with the Company Secretary acting as Secretary to the Committee in addition to being the Compliance Officer of the Committee. The Charter of the Audit Committee is available on the website of the Company at https://www.tejasnetworks.com/policies-codes.php

The meeting of the Committee were also attended by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees.

During FY 2023, five meetings were held on:

1.	April 22, 2022	4.	October 21, 2022
2.	July 25, 2022	5.	February 6, 2023
3.	September 29, 2022		

a. Changes in the Compostiton of the Committee

During the year under review, the following changes were made to the Committee in view of resignation/ retirement/ induction of the members of the Committee

S.No	Name of the Member	Date of Change	Reasons for change
1	Balakrishnan V	April 23, 2022	Resigned, consequent to resignation from the Board
2	P R Ramesh	June 28, 2022	Inducted, consequent to becoming Member of the Board
3	Amb. Leela K Ponappa	February 16, 2023	Ceased to be Member, consequent to the retirement from the Board
4	A S Lakshmi-narayanan	February 16, 2023	Inducted as Member of the Committee

b. Composition of the Committee

The Composition and the attendance of the members of Audit Committee for the year ended March 31, 2023 are as follows:

S.No	Name of the Director	Category	Chairman/ Member	Attendance
1	Chandrashekhar Bhaskar Bhave	Independent	Chairman	100%
2	P R Ramesh	Independent	Member	75%
3	A S Lakshmi-narayanan	Non-Independent	Member	NA*

** A S Lakshminarayanan was inducted as Member of the Committee on February 16, 2023.*

c. Roles, responsibilities and the terms of reference of the Committee

The Audit Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and the Listing Regulations. The Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed. In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened whenever required. The Audit Committee reviews various businesses, functions, risk assessment, controls and critical IT applications with implications of security and control assurance.

Terms of reference of the Committee

In general, the following functions were performed by the Audit Committee of the Board

Financial Statements	Reviewing of Quarterly, Half yearly and Annual Standalone and Consolidated financial statements of the Company prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under the Companies Act, 2013, read with the relevant rules thereunder including the auditors' judgment on the quality and applicability of the accounting principles, the reasonableness of significant judgments, the adequacy of disclosures in the financial statements and other matters as the Committee deemed necessary.
Auditors	• Assessed the performance of the Statutory Auditors, Internal Auditors, Secretarial Auditors and Cost Auditors and the nature and scope of the audit, the audit engagement to ascertain adequacy and its appropriateness in line with the requirements of SEBI, MCA and other regulatory bodies. • Reviewing with the Statutory Auditors, the adequacy and effectiveness of the Company's legal, regulatory and ethics compliance programs including the internal control weakness, if any, reported by the Internal Auditors. • Reviewed and approved the audit fees and fees payable for other services rendered by the Statutory Auditors during the year under review and also recommended to the Board the remuneration and terms of appointment of the internal, secretarial and cost auditors and monitored auditor's independence, performance, and effectiveness • Ensuring an effective and independent internal audit function, which works to provide assurance regarding the adequacy and operation of internal controls and processes intended to safeguard the Company's assets, effective and efficient use of the Company's resources and, timely and accurate recording of all transactions
Related party transactions	• Reviewed and approved transactions of the Company and its subsidiaries with the related parties, approved specific arrangements/ transactions and recommended to the Board for approval as and when necessary. • Granted omnibus approval from time to time for the related party transactions, with the maximum limit per transaction and maximum limit in the aggregate proposed to be entered into by the Company during fiscal year 2023. • Granted omnibus approval to cover unforeseen Related Party transactions and review of Related Party Transactions entered into by the Company for previous quarter and recommended to the Board for approval as and when necessary. • Recommended to the Board for the approval of the shareholders, the related related party transactions proposed to be entered for FY 2024. • Reviewed, the Related Party Transaction Policy and policy for determining materiality of disclosures.

Financial and Accounting	• Reviewed the treasury policy and the process adopted by the Management on impairment of assets including financial assets and goodwill. • Reviewed and recommended to the Board the amounts to be written off as Bad Debts as well as the write –off of assets.
Other matters	• Reviewed the code on fair disclosures and investor relations, and insider trading policy, whistle blower, vigil mechanism, POSH etc. and recommended the changes thereof, if required. • Reviewed the risk assessment and minimisation procedures to ensure that executive Management controls risk through means of a properly defined framework and risk management systems, etc. • Reviewing its own charter, structure, processes, membership periodically, and recommending proposed changes to the Board for approval. • Reviewed the utilization of funds in accordance with Regulation 32 of Listing Regulations for funds raised through preferential issue. • Any other function as assigned by the Board in accordance with the Audit Committee Charter.

II. Nomination and Remuneration Committee

In accordance with the Listing Regulations and requirements of the Act, the Nomination and Remuneration Committee of the Company is constituted comprising of two-thirds of the Members of the Committee as Independent including the Chairman who is a Non-Executive Independent Director. The Committee reports to the Board with the Company Secretary acting as Secretary to the Committee in addition to being the Compliance Officer of the Committee. The detailed terms of reference and policy of the Nomination and Remuneration Committee is available on the Company's website at https://www.tejasnetworks.com/policies-codes.php.

The meeting of the Committee were also attended by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Human Resource Officer as special invitees.

During FY 2023, five meetings were held on:

1.	April 22, 2022	4.	February 6, 2023
2.	June 27, 2022	5.	March 29, 2023
3.	July 25, 2022		

Changes in the Composition of the Committee

During the year under review, the following changes were made in the Committee in view of resignation/retirement/ induction of the members of the Committee

S.No	Name of the Member	Date of Change	Reasons for change
1	Balakrishnan V	April 23, 2022	Resigned, consequent to resignation from the Board
2	Dr. Gururaj Deshpande	June 28, 2022	Resigned, consequent to resignation from the Board
3	A S Lakshmi-narayanan	June 28, 2022	Inducted as Member of the Committee
4	Amb. Leela K Ponappa	February 16, 2023	Ceased to be Member, consequent to the retirement from the Board
5	P R Ramesh	February 16, 2023	Inducted and designated as Chairman of the Committee
6	A S Lakshmi-narayanan	March 29, 2023	Resigned as Member of the Committee
7	N Ganapathy Subramaniam	March 29, 2023	Inducted as Member of the Committee

a. Composition of the Committee

The Composition of the Committee as on March 31, 2023 and the attendance of members for the year were as follows

S.No	Name of the Director	Category	Chairman/ Member	Attendance
1	P R Ramesh	Independent	Chairman	100%
2	Chandrashekhar Bhaskar Bhave	Independent	Member	100%
3	N Ganapathy Subramaniam	Non-Independent	Member	NA*

**N Ganapathy Subramaniam was inducted as Member of the Committee on March 29, 2023.*

b. Roles, responsibilities and the terms of reference of the Committee

The Nomination and Remuneration Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and the Listing Regulations. It coordinates with the Board to come out with a leadership succession plan to ensure orderly succession and is responsible for maintaining appropriate balance of skills and experience within the organisation and also for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The Committee's charter and policy are available on the website at https://www.tejasnetworks.com/policies-codes.php.

Terms of reference of the Committee

In general, the following functions were performed by the Nomination and Remuneration Committee of the Board:

Compensation	• Assisting the Board in discharging its responsibilities relating to compensation of the Company's Directors and Key Managerial Personnel. • Approval of Restricted Stock Unit Stock incentives to eligible employees of the Company and subsidiaries during the year under the Tejas Restricted Stock Unit Plan – 2017 and 2022. • Recommending to the Board a policy, relating to the remuneration of the Company's Directors, Key Managerial Personnel and other employees. • Designing, benchmarking and continuously reviewing the compensation program for the Board and the Executive Directors against the achievement of measurable performance goals.
Succession planning	Reviewed the succession plans for key leadership positions, and helped to shape and monitor the development plans of key leadership personnel including recommending to the Board the appointment and removal of senior management.
Nomination process	• Overseeing the Company's nomination process for the top level management and identify, screen and review individuals qualified to serve as Executive Directors, Non-Executive Directors, Independent Directors and Senior Management consistent with criteria approved by the Board. • Recommending appointment and removal of Directors including Independent Director and Key Managerial Personnel to the Board.
Board/ Performance evaluation	Formulating the criteria for determining qualifications, attributes and independence of a Director and for performance evaluation of Board as a whole and developing leadership.
Other matters	Any other function as assigned by the Board in accordance with the Nomination and Remuneration Commitee Charter.

III. Stakeholders Relationship Committee

In accordance with the Listing Regulations and requirements of the Act, the Stakeholders Relationship Committee of the Company is constituted with two-thirds comprising of the Members of the Committee as Independent with the Chairman being Non-Executive Independent Director. The Committee reports to the Board with the Company Secretary acting as Secretary to the Committee in addition to being the Compliance Officer of the Committee.

During FY 2023, four meetings were held on:

1.	April 22, 2022	3.	October 21, 2022
2.	July 25, 2022	4.	February 6, 2023

Changes in the Composition of the Committee

During the year under review, the following changes were made in the Committee in view of resignation/ induction of the members of the Committee

S.No	Name of the Member	Date of Change	Reasons for change
1	Balakrishnan V	April 23, 2022	Resigned, consequent to resignation from the Board
2	Dr. Gururaj Deshpande	June 28, 2022	Resigned, consequent to resignation from the Board
3	Prof. Bhaskar Ramamurthi	June 28, 2022	Inducted and designated as Chairman of the Committee
4	Sanjay Nayak	March 29, 2023	Resigned as Member of the Committee
5	Alice G Vaidyan	March 29, 2023	Inducted as Member of the Committee

a. Composition of the Committee

The Composition of Committee and the attendance of the Members for the year ended March 31, 2023 are as follows

S. N	Name of the Director	Category	Chairman/ Member	Attendance
1	Prof. Bhaskar Ramamurthi	Independent	Chairman	100%
2	Alice G Vaidyan	Independent	Member	NA*
3	Arnob Roy	Non-Independent	Member	100%

* *Alice G Vaidyan was inducted as Member of the Committee with effect from March 29, 2023*

b. Roles, responsibilities and the terms of reference of the Committee

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to the handling of queries and grievances of security holders. It primarily focuses on:

i. Resolving the grievances of the Security Holders in general and relating to non-receipt of declared dividends; non-receipt of Annual Reports, share transfers, transmissions, issue of new/duplicate certificates, general meetings etc. and formulating of policies and procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from Stakeholders from time to time.

ii. Review of measures taken for effective exercise of voting rights by Shareholders.

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. Monitor and review any investor complaints received by the Company or through SEBI and SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and Compliance Officer and RTA of the Company.

v. Review of the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the company.

vi. Shareholders Engagement initiatives.

vii. Such other matters as may be required under various statutes and/or as may be assigned by the Board of Directors from time to time.

The Committee's charter is available in the Company website at https://www.tejasnetworks.com/policies-codes.php.

c. Details of Shareholders/ Investors Complaints

During the year ended March 31, 2023, there were no complaint received by Company from Shareholders / Investors.

S.No	Nature of Complaint	Received	Redressed
1	Non- Receipt of Share Certificates	Nil	Not Applicable
2	SEBI	Nil	Not Applicable
3	IPO Related	Nil	Not Applicable
4	Others	Nil	Not Applicable

The Company normally attends most of the investor grievances within 7 days from the date of receipt of such grievance and the communication in this regard are sent within 15 days from the date of receipt of such grievance unless constrained by certain impediments. The share transfers and all other investor related activities are handled by Link Intime India Private Limited, Registrar and Share Transfer Agents.

IV. Corporate Social Responsibility Committee

In accordance with the Listing Regulations and requirements of the Act, the Corporate Social Responsibility Committee of the Company is constituted with two-thirds comprising of the Members of the Committee as Independent with the Chairman being Independent Director. The Company Secretary acts as Secretary to the Committee with the Chief Financial Officer and the Chief Human Resource Officer are invited as special invitees. The Committee's charter and policy is available on Company's website at https:// www.tejasnetworks.com/policies-codes.php

During FY 2023, four meetings were held on:

1.	April 22, 2022	3.	October 21, 2022
2.	July 25, 2022	4.	February 6, 2023

Changes in the Composition of the Committee

During the year under review, the following changes were made in the Committee in view of resignation/ induction of the members of the Committee

S.No	Name of the Member	Date of Change	Reasons for change
1	Balakrishnan V	April 23, 2022	Resigned, consequent to resignation from the Board
2	Prof. Bhaskar Ramamurthi	June 28, 2022	Inducted as Member of the Committee
3	Amb. Leela K Ponappa	February 16, 2023	Ceased to be Member, consequent to the retirement from the Board
4	Prof. Bhaskar Ramamurthi	Feburary 16, 2023	Designated as Chairman of the Committee
5	Sanjay Nayak	March 29, 2023	Resigned as Member of the Committee
6	Alice G Vaidyan	March 29, 2023	Inducted as Member of the Committee

a. Composition of the Committee

The Composition of the Committee as on March 31, 2023 and the attendance of members for the year were as follows

S.No	Name of the Director	Category	Chairman/ Member	Attendance
1	Prof. Bhaskar Ramamurthi	Independent	Chairman	100%
2	Alice G Vaidyan	Independent	Member	NA*
3	Arnob Roy	Non-Independent	Member	100%

**Alice G Vaidyan was inducted into the Committee with effect from March 29, 2023*

b. The terms of reference of the Corporate Social Responsibility Committee

The terms of reference of the Corporate Social Responsibility Committee include:

- Formulation of CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommending the same to the Board;
- Recommending to the Board the annual action plan and the amount to be spent on CSR activities;
- Reviewing and approving, the CSR projects/ programs to be undertaken by the Company either directly or through implementation partners as deemed suitable, during the financial year and specifying modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Company;
- Monitoring the implementation of the CSR policy;
- Monitoring and reporting mechanism for the projects or programmes;
- Reviewing the need for impact assessment, if any, for the projects undertaken by the Company and undertaking the same if needed;
- Reviewing implementation of the action plan; and
- Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

c. Corporate Social Responsibility obligation of the Company

Section 135 of the Companies Act, 2013 states that the Companies which falls under the ambit of three criteria as laid down in the Act are required to do CSR spend amounting to 2% of their average profit of the company computed in accordance with Section 198 of the Companies Act, 2013. 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 there is no obligations for the Company to comply with the requirements of the CSR obligations to spend 2% of the average net profits of the company computed in accordance with Section 135 of the Act as CSR contribution for the year ended March 31, 2023.

d. Corporate Social Responsibility report for the year ended March 31, 2023

The CSR committee Report as required under the Act forms part of the Annexure - 5 of the Board report.

V. Risk Management Committee

The Risk Management Committee is constituted in accordance with the requirements of Listing Regulations comprising of Independent Directors only with the Chief Operating Officer preforming the role of the Chief Risk Officer. The Risk Management Committee meetings are attended by the Chief Executive Officer, the Chief Financial Officer and the Chief Human Resource Officer as special invitees, if required. The Company Secretary acts as a Secretary to the Committee.

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and shall ensure that key strategic and business risks are identified and necessary steps are taken for mitigation / redressal of the said risks under various categories like strategic, financial, commercial, operational, IT, legal, regulatory, people, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated including cyber security. It sets reporting guidelines for management to report to the Committee on the effectiveness of the Company's management of its business risks and to recommend to the Board a risk management plan for the company and monitor the functioning of the said plan;

During FY 2023, four meetings of the Committee were held on:

1	April 22, 2022	3	October 21, 2022
2	July 25, 2022	4	February 6, 2023

The Committee's charter and policy is available on Company's website at https:// www.tejasnetworks.com/policies-codes.php.

Changes in the Compostiton of the Committee

During the year under review, the following changes were made to the Committee in view of resignation/ retirement/ induction of the members of the Committee

S.No	Name of the Member	Date of Change	Reasons for change
1	Balakrishnan V	April 23, 2022	Resigned, consequent to resignation from the Board
2	Dr. Gururaj Deshpande	June 28, 2022	Resigned, consequent to resignation from the Board
3	P R Ramesh	June 28, 2022	Inducted and designated as Chairman of the Committee
4	Prof. Bhaskar Ramamurthi	June 28, 2022	Inducted as Member of the Committee
5	Amb.Leela K Ponappa	February 16, 2023	Ceased to be Member, consequent to the retirement from the Board

a. Composition of the Committee

The Composition of Risk Management Committee and the attendance of the Members for the year ended March 31, 2023 are as follows:

S.No	Name of the Director	Category	Chairman/ Member	Attendance
1	P R Ramesh	Independent	Chairman	67%
2	Chandrashekhar Bhaskar Bhave	Independent	Member	100%
3	Prof. Bhaskar Ramamurthi	Independent	Member	100%

b. Roles, responsibilities and the terms of reference of the Committee

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk policy and a Risk Register detailing with the risks that the Company faces under various categories like strategic, financial, commercial, operational, IT, legal, regulatory, people, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The functions of Risk Management Committee shall inter-alia include cyber security. It sets reporting guidelines for management to report to the Committee on the effectiveness of the Company's management of its business risks and to recommend to the Board a risk management plan for the company and monitor the functioning of the said plan.

Terms of reference of the Committee

In general, the terms of reference of the Risk Committee of the Board include

Business Strategy	• Periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard. • Ensuring that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities and to assess management's actions to mitigate the exposures in a timely manner. • Review the progress on strategy execution, risk management practices and activities including review of strategic programs for the achievement of short and long term business goals covering growth, profitability, business model, human resource, leadership and operational excellence of various business units and also the strategic, operational and compliance risks associated with achieving the business objectives and the actions taken to achieve these risks. • The Company's enterprise risk management framework, corporate strategy execution process, trends of the top risks in terms of impact likelihood of occurrence, potential exposure and progress of mitigation actions.
Business operations	• Review the governance of contractual liabilities. • Review risks and risk management frameworks related to client counterparty credit risk and revenue concentration. • Assessed top risks to the effective execution of the Company's strategy; tracked trend lines of top strategic, operational and compliance-related risks, the likelihood of their occurrence, potential impact and progress of mitigation actions. • Review service delivery risks in critical client engagements.
COVID - 19	Review assessment and mitigation of risks arising due to COVID-19, covering areas of employee engagement and safety, business continuity and resilience, cybersecurity, impact on growth, supply chain, financial position, service delivery, productivity of new projects and immigration policies.
Cyber Security	The risks in cyber security, employee engagement, customer environment, external and internal environment, credit assessment process, incident management, data protection, subsidiaries, critical projects and immigration risks including in-depth exercises in certain of those above areas.
Information and data security	Review the Company's information security and data privacy policies, related system controls, GDPR and similar regulation requirements, risks and progress of mitigation actions.

Report of the Risk Management Committee

The Risk Management committee Report as required under the Listing and the Act forms part of the Annual Report.

4. Remuneration Policy

The Company has a policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Company follows a compensation mix of fixed pay, performance linked variable pay, benefits and RSU, which is paid based on the individual/Company performance and ensures that the remuneration is competitive, reasonable and meets appropriate performance benchmarks. Further, the overall remuneration shall be reflective of size of the Company, complexity of the sector in which the Company operates and the Company's capacity to pay the remuneration. The Nomination and Remuneration Committee is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management Personnel of the Company from time to time. The Board reserves the right to set such milestones as it deems fit for the payment of variable component of the remuneration in the Executive Director compensation.

a. Remuneration of Non-Executive and Non-Independent Director/ Independent Directors

Remuneration to Independent Directors

The Independent Directors are entitled to receive within the ceiling prescribed by the Act, the sitting fees, commission based on the net profits of the Company and reimbursement of the expenses incurred by them for the purpose of attending meetings of the Board and its Committees. The basis of determining the specific amount of commission payable to the Independent Director is related to their attendance at meetings, role and responsibility as Chairman or Member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings. Each Independent Director are paid Sitting fees for attending each meeting of the Board/ Committees of the Board of ₹ 1,00,000/- per meeting and are not eligible to receive Stock Options / Restricted Stock Units under the existing Employee Stock Options scheme/ Restricted Stock Unit Plan of the Company. The Independent Directors may be given additional commissions as a percentage of net profits of the company and based on Company's performance, subject to the overall 1% limit or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013 from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013.

Remuneration to Non-Executive and Non-Independent Director

In line with the internal guidelines of the Company, no remuneration including payment of commission / stock options were given to the Non-Executive and Non-Independent Directors of the Company. However, the Non-Executive Directors of the Company, who are in employment with any other Tata Group of Companies were paid a sitting fees of ₹ 20,000/- per Board/ Committee Meeting and reimbursement of the expenses incurred by them for the purpose of attending meetings of the Board and its Committees.

The aggregate amount of remuneration (commission) was arrived at using the following criteria:

Nature	Amount
Board Meeting Attendance Fees (per meeting) • Independent Directors • Nominee Directors	 ₹ 1,00,000/- ₹ 20,000/-
Directors Commission • Fixed Fees for each Independent Director - per annum. • Non-Executive Chairman Fees - per annum • Chairman – Audit Committee - per annum • Chairman – Other Committees - NRC, SRC, CSR, Risk - per annum • Members – Board committees – per annum.	 ₹ 5,00,000/- ₹10,00,000/- ₹ 3,00,000/- ₹ 1,00,000/- ₹ 50,000/-

Details of Remuneration for the year ended March 31, 2023

i. Remuneration to Independent Directors

₹ in crore except for no. of shares

S.No	Name of the Director	Sitting fees	Remuneration/ Commission	Total	No. of shares held
1	Balakrishnan V*	0.01	Nil	0.01	Nil
2	Amb. Leela K Ponappa**	0.06	0.15	0.21	Nil
3	Chandrasekhar Bhaskar Bhave	0.07	0.15	0.22	Nil
4	P R Ramesh#	0.04	0.09	0.13	Nil
5	Prof. Bhaskar Ramamurthi#	0.05	0.09	0.14	Nil
6	Alice G Vaidyan^	Nil	Nil	Nil	Nil

*Balakrishnan V resigned as Member of the Board after the conclusion of the Board meeting held on on April 22, 2022. Hence, only sitting fees is paid to him.

P R Ramesh and Prof. Bhaskar Ramamurthi were appointed as Members of the Board wef June 27, 2022. Hence the commission was paid proportionately for the year ended March 31, 2023.

**Amb. Leela K Ponappa retired as Member of Board wef February 16, 2023.

^ Alice G Vaidyan was appointed as Member of the Board wef March 29, 2023. Hence no sitting fees/commission was paid to her for the year ended March 31, 2023.

ii. Remuneration to Non-Independent and Non-Executive Directors

in ₹ crore except for no. of shares

S.No	Name of the Director	Sitting fees	Remuneration/ Commission	Total	No.of shares held
1	Dr. Gururaj Deshpande	Nil	Nil	Nil	Nil
2	N Ganapathy Subramaniam	0.01	Nil	0.01	Nil
3	A S Lakshminarayanan	0.01	Nil	0.01	Nil

b. Remuneration for Executive Directors

The remuneration paid to Executive Directors is within the overall limit approved by the Shareholders. It shall be market competitive, driven by the role played by the individual and will be within the overall limits specified in the Act and any other regulatory requirements. The elements of compensation of the Executive Directors include the fixed compensation (55% of gross compensation), performance-linked variable pay (45% of gross compensation), benefits, restricted stock units and perquisites. The Nomination and Remuneration Committee determines the annual variable pay and annual increment based on Company's and individual's performance as against the pre-agreed objectives for the year. In case of no profits or inadequate profits in any financial year, the remuneration payable shall be further subject to the relevant provisions of the Act. The Executive Directors are not paid sitting fees for any Board/ Committee meetings attended by them. The term of Executive Directors is generally for a period of five years, and are liable to retire by rotation. Their tenure is approved by the Shareholders and renewed for similar periods from time to time. However, the Board reserves the right to increase/decrease the period as it may deem fit.

The details of remuneration paid to the Managing / Executive Directors for the year ended March 31, 2023 are mentioned below:

₹ in crore except for no. of shares

Particulars of remuneration	Sanjay Nayak *Managing Director and CEO*	Arnob Roy *Executive Director and COO*
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.55	1.81
Perquisite (refer note iii)	49.64	0.00
Contribution to Retiral Funds	0.11	0.07
Total	**52.30**	**1.88**
Restricted Stock Units granted during the year	60,000	54,000
Stock Options exercised during the year (refer note iii)	8,78,140	-
Restricted Stock Units exercised during the year (refer note iii)	49,701	-
No. of. Shares held	30,58,813	3,40,000
Term of Service Contract	Five years with effect from January 1, 2020 till December 31, 2024.	Five years with effect from March 25, 2019 till March 24, 2024.
Notice period	3 months	2 months

Note:

i) Salary includes fixed pay and performance linked variable pay of FY 2022 but paid in FY 2023.

ii) In view of inadequate profits as computed in accordance with Section 198 of the Act, the Managing Director and CEO/ Executive Director and COO have been paid remuneration in accordance with Part II of Section II of Schedule V of the Act for the year ended March 31, 2023.

iii) The value of perquisites includes the perquisite value of stock options/RSUs exercised during the period, which was granted during earlier years, determined in accordance with the provisions of the Income Tax Act, 1961. Accordingly, the value of stock options/RSUs granted during the period is not included.

iv) Period of employment shall generally be for a period of five years, subject to liable to retire by rotation and as approved by the Shareholders and renewed for similar periods from time to time. The Board reserves the right to increase/ decrease the period as it may deem fit.

v) The retirement benefit shall include benefits such as provident fund and gratuity.

vi) No loan is granted to the Executive Directors.

c. Remuneration for Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

The Company's total compensation for KMP and SMP consists of Fixed compensation, Variable compensation in the form of annual incentive, the benefits and other work related facilities and perquisites including RSUs as per the scheme in force from time to time. The Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value for the job and the skills, experience and performance of the employee and includes Basic Salary, Housing Allowance, Leave Travel Allowance and certain other allowances. The Variable pay increments of KMP and SMP are linked directly to the performance of the Business Unit, ratings and the Company in accordance with policies of the Company. The other benefits includes the Health insurance, the Accident and Life insurance, the contribution to Provident Fund account, Gratuity, etc. The KMP and SMP may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

₹ in crore except for no. of shares

Particulars of remuneration	Venkatesh Gadiyar *Chief Financial Officer*	Kumar Sivarajan *Chief Technology Officer*	N R Ravikrishnan *Company Secretary*
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.00	1.56	0.65
Perquisite (refer note ii)	1.06	2.75	0.33
Contribution to Retiral Funds	0.04	0.06	0.03
Total	2.10	4.37	1.01
Restricted Stock Units granted during the year	20,000	42,000	4,500
Stock Options exercised during the year (refer note ii)	-	49,076	-
Restricted Stock Units exercised during the year (refer note ii)	17,280	-	6,162
No. of Shares held	3,14,288	12,47,260	26,723
Notice period	2 months	2 months	2 months

Note:

i. Salary includes fixed pay and performance linked variable pay of FY 2022 but paid in FY 2023.
ii. The value of perquisites includes the perquisite value of stock options/RSUs exercised during the period, which was granted during earlier years, determined in accordance with the provisions of the Income Tax Act, 1961. Accordingly, the value of stock options/RSUs granted during the period is not included.
iii. The retirement benefits shall include benefits such as provident fund and gratuity.
iv. No loan is granted to Key Managerial Personnel/ Senior Management Personnel.

d. Remuneration for other Employees

The remuneration paid to other employees of the Company consists of fixed pay and performance linked variable pay which is reviewed on an annual basis. Increase in the remuneration of employees is given based on an annual review taking into account performance of the employee, the performance of the Company and comparable market wage levels. The retirement benefits shall include benefits such as provident fund and gratuity. The Company also employs contractual employees as 'consultants' for shorter periods on need basis either directly or through service providers and as permitted by law. The Contract of employment provides for compensation upto 2 or 3 months' pay or advance notice of similar period.

5. Stakeholders Engagement and Relations

The Company believes an effective stakeholder engagement is paramount to its growth and continuity of its business and towards this objective, the Company follows the emerging best practices in stakeholders engagement and relations and in building a relationship of mutual understanding. The Company engages with its stakeholders through various forums to understand their needs, expectations and concerns. This enables the Company to further strengthen its relationship with the stakeholders and create a value-creation model where everybody wins.

The key stakeholders of the Company are

1. **Customers/ Clients –** The Company engages with its customers/clients through regular interactions either in person or through digital and social medias and also through other channels available for raising queries and grievances. This ensures right selling of products with focus on improving process, efficiency, reducing customer effort and leveraging technology to enhance customer experience and improve response time.
2. **Shareholders/ Investors -** The Company engages with the Shareholders/ Investor through General Meetings, Periodic E-mails, Conference calls, Analyst day and Conferences with a view to create shareholder value creation, strategy sharing and disclosure of non-financial metrics and also highlighting Governance and ethical and compliance practices followed with full transparency. The Company holds regular interactions with investors and interacts with them through multiple channels of communication such as result announcements, annual report, media releases, updating the information on Company's website, etc. The Company ensures that critical information about the Company is available to all the investors by uploading all such information at the Company's website under the Investors section and also sends regular email updates to analysts and investors on upcoming events like earnings calls, declaration of quarterly and annual earnings with financial statements
3. **Employees –** The Company continuously engages across its Employees by periodic communication meetings anchored by senior leaders and also an online portal to raise queries and also for grievances matters which in turn makes employees to align with the organization goals and drives the synergy of "Team Culture". The Company enables work culture with opportunities for growth and learning and also experimentation.
4. **Regulators –** The Company engages with the Regulators through periodic meetings, E-mails, letters etc and also participating in various forums and meetings.. This develops a compliance culture and continuous engagement with adherence to regulations and directives backed by a well-defined processes and technology of the Company. The Compliance culture is driven by the organizational leadership with a dedicated team for communicating with regulators and responding in a time-bound manner.
5. **Society –** The Company engages with the Society on social development schemes through Corporate Social Responsibility Schemes such as CSR and sustainability initiatives. The initiatives and practices covers various activities in the field of education, healthcare and communities, ecology and environment, etc. with focus on livelihoods, social and environmental issues and also partnering .with Industry-academia for developing skills for the telecom sector.

6. General Body Meetings

(i) Annual General Meetings

The date, time and venue of last three Annual General Meetings (AGMs) held are as follows:

Year ended	Date	Time (IST)	Venue	Special Resolution
2022	July 26, 2022	4.00 P.M	Through Video Conference	• Increase of authorised share capital of the Company and alteration in the capital clause of the Memorandum of Association of the Company. • Approval of Tejas Restricted Stock Unit Plan 2022 ("RSU 2022" or the "Plan") and grant of Restricted Stock Units under RSU 2022 to eligible employees of the Company and its subsidiaries. • Appointment of P R Ramesh (DIN : 01915274) as a Non-Executive, Independent Director (not liable to retire by rotation) of the Company. • Appointment of Prof. Bhaskar Ramamurthi (DIN : 01914155), as a Non-Executive, Independent Director, (not liable to retire by rotation) of the Company. • Approval of grant of Restricted Stock Units under Tejas Restricted Stock Unit Plan 2022 ("RSU 2022" or the "Plan") to the Eligible Employees of subsidiary companies.

2021	June 25, 2021	3.00 P.M.	Through Video Conference	No Special resolution passed.
2020	July 28, 2020	3.00 P.M	Through Video Conference	Continuation of directorship of Amb. Leela K Ponappa,(DIN: 07433990) as Independent Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) Extraordinary General Meetings

The date, time and venue of last three Extra-Ordinary General Meetings (EGMs) are as follows:

Year ended	Date	Time (IST)	Venue	Special Resolution
2021	August 25, 2021	3.00 P.M.	Through Video Conference	• Increase of authorised share capital of the Company and alteration in the capital clause of the memorandum of association of the Company. • Issuance of equity shares and warrants on a private placement basis to Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

(iii) Resolution(s) passed through Postal Ballot

During the year ended March 31, 2022, the Company has issued a Notice of the Postal Ballot dated March 14, 2022 for the approval of the Shareholders for:

- Appointment of N. Ganapathy Subramaniam (DIN: 07006215) as Non-Independent and Non-Executive Director (liable to retire by rotation) of the Company and as Nominee Director of Panatone Finvest Limited.
- Appointment of A. S. Lakshminarayanan (DIN: 08616830) as Non-Independent and Non-Executive Director (liable to retire by rotation) of the Company and as Nominee Director of Panatone Finvest Limited.
- Approve entering into Material Related Party Transactions with Tata Communications Limited, a related party of the Company.
- Approve entering into Material Related Party Transactions with Tata Consultancy Services Limited, a related party of the Company.

The Shareholders have approved the above on April 15, 2022. The details of the postal ballot is available on the website at www.tejasnetworks.com/shareholders.php.

7. General Shareholder information

A separate section has been included in the Annual Report furnishing details as required under the Listing Regulations.

Independent Auditor's Certificate on Corporate Governance

To The Shareholders of Tejas Networks Limited

1. I, Chennur Dwarakanath, Company Secretary in Practice, the Secretarial Auditor of Tejas Networks Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. My responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2023.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-
C. Dwarakanath
Company Secretary in Practice
C.P: 4847; FCS: 7723
UDIN: F007723E000318033

Bengaluru
May 16, 2023

CEO / CFO CERTIFICATION

The Board of Directors
Tejas Networks Limited

Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify that:

1. We have reviewed the Balance Sheet as at March 31, 2023, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended March 31, 2023.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
    a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
    c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
    d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
    a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
    b. Any significant changes in internal controls during the year covered by this report.
    c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
    d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Bengaluru
April 21, 2023

Sd/-
Sanjay Nayak
Managing Director & CEO
DIN: 01049871

Sd/-
Venkatesh Gadiyar
Chief Financial Officer

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members,

Tejas Networks Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tejas Networks Limited having CIN:L72900KA2000PLC026980 and having registered office at J P Software Park, Plot No 25, Sy.No.13,14,17,18 Konnapana Agrahara Village, Begur Hobli, Bengaluru – 560100 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Ganapathy Subramaniam Natarajan	07006215	19/01/2022
2	Prathivadibhayankara Rajagopalan Ramesh	01915274	27/06/2022
3	Ramamurthi Bhaskar	01914155	27/06/2022
4	Sanjay Nayak	01049871	06/05/2000
5	Chandrashekhar Bhaskar Bhave	00059856	25/03/2019
6	Arnob Roy	03176672	25/03/2019
7	Amur Swaminathan Lakshminarayanan	08616830	19/01/2022
8	Alice Geevarghese Vaidyan	07394437	29/03/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
C. Dwarakanath
Company Secretary in Practice
C.P: 4847; FCS: 7723
UDIN: F007723D000170105

Bengaluru
April 17, 2023

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. The code is available on the Company's website www.tejasnetworks.com/policies-codes.php.

I confirm that the Company has in respect of the year ended March 31, 2023, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Chief Technology Officer, Chief Operating Officer, Chief Human Resource Officer and the Company Secretary.

Sd/-
Sanjay Nayak
Managing Director and CEO
DIN: 01049871

Bengaluru
April 21, 2023

SHAREHOLDERS' INFORMATION

Shareholders' Information

General Information

The Company was originally incorporated as Tejas Networks India Private Limited on April 24, 2000 at Bengaluru as a Private Limited Company under the Companies Act, 1956. The Company was subsequently converted into Public Limited Company and its name was changed to Tejas Networks India Limited and a fresh certificate of incorporation consequent upon change of name was issued by Registrar of Companies, Karnataka on October 23, 2002. Subsequently, the name of the Company was further changed to Tejas Networks Limited to reflect the global outlook of the Company and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies on March 18, 2008. The Corporate Identity Number (CIN) of the Company is L72900KA2000PLC026980.

The Company made an initial public offer of 3,02,21,332 equity shares of ₹ 10/- each for a cash price of ₹ 257/- per share including a premium of ₹ 247/- per share aggregating to ₹ 776.69 crore, comprising of a fresh issue of 1,75,09,727 equity shares aggregating to ₹ 450 crore and an offer for sale of 1,27,11,605 equity by the selling shareholders aggregating to ₹ 326.69 crore. The Company listed its equity shares at BSE Limited and National Stock Exchange of India Limited on June 27, 2017.

The Company entered into a strategic partnership with Panatone Finvest Limited, a subsidiary of Tata Sons Private Limited by means of a Share Subscription Agreement dated July 29, 2021 by means which the Company raised funds to the extent of ₹ 1,850/- crore from Panatone Finvest Limited through preferential issue / allotment of equity shares and share warrant which were later converted into equity shares. Pursuant to this, Panatone Finvest Limited is the sole promoter of the Company and Akashastha Technologies Limited and Tata Sons Private Limited as members of the Promoter Group of the Company.

The address of the Registered Office of the Company is Plot No 25, J P Software Park, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli, Bengaluru, Karnataka-560100.

Financial calendar

The Company financial year begins on April 1 and ends on March 31 every year.

Board Meeting

The tentative calendar of the Board Meeting for the approval of financial results and closure of Trading Window for FY 2024 is:

Quarter Ending	Date of the Board Meeting (Tentative)	Date of the Trading Window Closure (Tentative)
June 30, 2023	July 21, 2023	June 15, 2023 to July 23, 2023
September 30, 2023	October 20, 2023	September 15, 2023 to October 23, 2023
December 31, 2023	January 19, 2024	December 15, 2023 to January 22, 2024
March 31, 2024	April 24, 2024	March 15, 2024 to April 29, 2024

Annual General Meeting

Date and time	June 20, 2023, Tuesday, 2.30 p.m IST
Mode	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
Transcripts	www.tejasnetworks.com/annual-general-meeting.php
E-Voting date	June 15, 2023 to June 19, 2023
Book Closure date	June 13, 2023 to June 20, 2023 (both days inclusive)

Dematerialisation of shares

The Listing Regulations has mandated that transfer of shares would be carried out only when shares are held in dematerialised form with effect from April 1, 2019. In view of this and to facilitate seamless transfer of shares in future, Shareholders holding shares in physical form are requested to dematerialize their shares. The Company's shares are tradeable in electronic form only and has established connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Link Intime India Private Limited, our Registrar and Share Transfer Agents.

The Shareholders can visit the below mentioned websites of the Depositories viz., NSDL or CDSL for understanding the procedure of dematerialization of shares: NSDL website: nsdl.co.in/services/demat.php. and CDSL website: www.cdslindia.com. In case of any queries, you may contact the Company or its Registrar and Share Transfer Agent.

The equity shares held in physical and demat form as on March 31, 2023 are as follows:

Description	No.of. Shareholders[1]	No. of Shares	% to Equity
Physical Shares	120	2,17,139	0.13
Dematerialized Shares	1,48,485	16,81,53,714	99.87
Total	**1,48,605**	**16,83,70,853**	**100.00**

[1]The total number of holders will not tally with the number of Shareholders, since Shareholders can have multiple demat accounts with same PAN. The number of Shareholders based on PAN as on March 31, 2023 is 1,45,872.

Common and Simplified Norms for processing investor's service request by RTA and norms for furnishing PAN, KYC details and Nomination

The Securities Exchange Board of India vide its circular SEBI/HO/MIRSD-PoD/P/CIR/2023/37 dated March 16, 2023 amongst other things has advised the Companies and Registrar and Transfer Agents as follows:

i. Mandatory furnishing of PAN, KYC details and Nomination by the holders of physical securities

SEBI has mandated that all holders of Physical securities in listed company shall mandatorily furnish the following documents / details to the Registrar and Share Transfer Agent (RTA) and the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s) till documents / details are furnished to the RTA

i. Permanent Account Number (PAN).
ii. Nomination – Details of nomination shall be furnished in hard copy or through electronic mode with e-signature.
iii. Contact – Postal address with PIN, Mobile number, E-mail address.
iv. Bank account details – Bank name and branch, bank account number, IFS Code.
v. Specimen signature.

The folios wherein any one of the above stated documents/ details are not available on or after October 1, 2023, the said folios shall be frozen by RTA and the said folios shall be restored to normal status only after furnishing by the holders of Physical securities all the completed documents/ details as stated. Further, those folios that were frozen on or after October 1, 2023 and continues to remain frozen till December 31, 2025, post that such securities will be referred by RTA/ Company to the administering authority under Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

ii. Compulsory linking of PAN and Aadhaar by all holders of physical securities in listed companies

SEBI has mandated RTA, in line, with the Central Board of Direct Taxes (CBDT), Circular No.7 of 2022 (Notification F. No3701/14/2022-TPL) dated March 30, 2022 on linking PAN with Aadhaar number and extended the said date to June 30, 2023 to

a) accept only valid / operative PANs and
b) verify that the PAN in the existing folios are valid and linked to the Aadhaar number of the holder.

Further, if the folios in which PAN is / are not valid as on the notified cut-off date of June 30, 2023 or any other date as may be specified by the CBDT, the folios shall be frozen by RTA. Further, those folios which are so frozen as on June 30, 2023 or any other date as may be specified by the CBDT, then such frozen folios will be referred by RTA/ Company to the administering authority under Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Shareholders' Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-investor relations. The Company is committed towards promoting effective and open communication with all its Shareholders. The Company focuses on prompt, continuous and efficient communication to all its stakeholders and interacts with Shareholders through multiple channels of communication such as result announcements, annual report, media releases, updating the information on Company's website, etc.

(a) Financial Results and Newspaper publication

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard, Financial Express and Vishwavani. These results are also made available on the website of the Company at https://tejasnetworks.com/quarterly-financial-results.php. The website also displays information relating to the Company and its performance, official press releases and presentation to analysts. Every quarter, the Company holds results briefing for the investors. The Company participates in the investor conferences held both in India and overseas to communicate directly with all investors. The management participates in the press call and earnings call every quarter, after the announcement of results. During the financial year 2022-2023, the Company had participated in four Earnings/ Analysts Call. The transcripts of the quarterly earnings call with Analysts have also been published on its website.

(b) Website

The Investor Relations page of the Company's website https://tejasnetworks.com/investor-relations.php wherein all the information relevant for the Shareholders are displayed. Copy of the press releases, quarterly results, presentations to Financial Analysts and Institutional Investors, subsidiary financials, policies of the Company, earnings conference call transcripts, shareholding pattern, stock exchange disclosures, Annual Reports, etc. as required under the Listing Regulations are made available on the website.

(c) Press Releases and Analysts'/Investors' presentations

The Company has an effective Investor Relations Program wherein the top management, including the Managing Director and Chief Executive Officer, Executive Director and Chief Operating Officer, Chief Technology Officer and Chief Financial Officer continuously interacts with the investment community through various channels such as Periodic Earnings Calls, Analyst Day, Individual Meetings, Video Conferences, Participation in one on one interactions and group meetings through Non-Deal Roadshows. The Company sends the copy of Press releases/official media releases to stock exchanges and also disseminates the same on its website of the Company at https://tejasnetworks.com/financial-results-earnings-call.php. The Company makes detailed presentation to the Analysts and Institutional Investors on the quarterly / annual financial results and filed with the stock exchanges and are also displayed on the Company's website at https://tejasnetworks.com/financial-results-investor-presentation.php.

(d) Annual Report

The Company's annual report containing, inter alia, the Boards' report, the Corporate Governance Report, the Business Responsibility and Sustainability Report, Management Discussion and Analysis, Audited Standalone and Consolidated Financial Statements, Statutory Reports and other important information is circulated to Shareholders and others so entitled. The annual report is also available on the Company's website in a user-friendly and downloadable form at https://tejasnetworks.com/annual-general-meeting.php.

(e) Chairman speech

The Chairman speech of the 23rd Annual General Meeting will be made available on the Company's website at www.tejasnetworks.com/shareholders_agm.php.

(f) Stock Exchange filings

The National Stock Exchange of India Ltd.(NSE) and BSE Ltd. (BSE) maintain separate online portals for electronic submission of information by listed companies. Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are uploaded in those portals. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the Company's website at www.tejasnetworks.com/stock-exchange-filing-other-filing.php.

(g) Web-casting

The Company is pleased to provide the facility of live webcast of the proceedings of the 23rd AGM on https://tejasnetworks.com/annual-general-meeting.php. The detail of the same is provided in the Notice of the 23rd AGM.

(h) Investor grievance and share transfer system

The Stakeholder's Relationship Committee examines and redress complaints received from Shareholders and investors. The status of complaints and share transfers are reported to the entire Board. The stakeholder committee will meet as often required to take note of the situation on investor grievance. Since the shares of the company are to be traded under 100% dematerialized mode, Link Intime India Private Limited (R&T Agent) handles matters like transfer of shares, change of address etc.

Listing of Equity Shares

The name of the Stock Exchanges at which Company Equity Shares are listed and Stock Code is as follows:

Name of the Stock Exchanges	Scrip Code
BSE Limited	540595
National Stock Exchange of India Limited	TEJASNET

The International Securities Identification Number (ISIN) allotted to our equity share under the Depository System is INE 010J01012.

Investor Complaints

The details of the complaints resolved during the fiscal ended March 31, 2023 are as follows:

Nature of complaints	Received	Resolved	Closing
Non- Receipt of Share Certificates	Nil	Not applicable	Not applicable
Demat Requisition Form	Nil	Not applicable	Not applicable
SEBI	Nil	Not applicable	Not applicable
Others	Nil	Not applicable	Not applicable

The Company normally attends most of the investor grievances within 7 days from the date of receipt of such grievance and the communication in this regard are sent within 15 days from the date of receipt of such grievance unless constrained by certain impediments. The Shareholders may note that the share transfers and all other investor related activities are handled by Link Intime India Private Limited, our Registrar and Share Transfer Agents. For any escalations, the Shareholders may write to company at corporate@tejasnetworks.com

Movement in shareholding for the year ended March 31, 2023

Date of Allotment	Details	Number of Shares allotted	Total number of equity shares
April 01, 2022	Opening balance		11,45,49,908
April 08, 2022	Allotment of equity shares to Panatone Finvest Limited upon exercise of Series A Warrants	3,68,21,706	15,13,71,614
April 22, 2022	Allotment by way of exercise of ESOP/RSU	69,750	15,14,41,364
May 26, 2022		54,522	15,14,95,886
June 24, 2022		28,132	15,15,24,018
July 25, 2022		26,320	15,15,50,338
August 23, 2022		2,26,547	15,17,76,885
September 15, 2022		3,32,977	15,21,09,862
October 21, 2022		77,111	15,21,86,973
November 23, 2022		5,27,392	15,27,14,365
December 22, 2022		69,607	15,27,83,972
February 06, 2023		31,031	15,28,15,003
February 06, 2023	Allotment of equity shares to Panatone Finvest Limited upon exercise of Series B Warrants	1,55,03,876	16,83,18,879
February 24, 2023	Allotment by way of exercise of ESOP/RSU	33,626	16,83,52,505
March 21, 2023		18,348	16,83,70,853

Shareholders holding more than 1% of the shares

The details of the shareholders holding more than 1% of the equity shares as on March 31, 2023 are as follows:

Name of the Shareholder	Number of shares	%
Panatone Finvest Limited	9,49,05,686	56.37
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	57,95,500	3.44
East Bridge Capital Master Fund I Ltd	47,93,508	2.85
Kedia Securities Private Limited	34,00,000	2.02
Sanjay Nayak	30,58,813	1.82
Government Pension Fund Global	28,39,787	1.69
East Bridge Capital Master Fund Limited	17,36,336	1.03

Shareholding pattern

The total shareholding of the Company for the year ended March 31, 2023 increased due to allotment of shares consequent to the exercise of ESOP and RSU by the eligible employees and preferential issue made by the Company. The total share capital as on March 31, 2023 is ₹ 1,68,37,08,530 comprising of 16,83,70,853 equity shares of ₹ 10/- each.

Category	Number of equity shares held	Percentage of holding
Promoters and Promoter Group (A)	9,49,05,686	56.37
Public		
Institutions		
Mutual Funds	63,18,764	3.75
Foreign Portfolio Investors	1,76,53,208	10.49
Alternate Investment Funds	3,80,020	0.23
Financial Institutions/ Banks	101	0.00
Total (B)	2,43,52,093	14.46
Non-Institutions		
Individuals	2,90,00,050	17.22
Bodies Corporate	75,08,977	4.46
Director or Director's Relatives	33,98,813	2.02
LLP	26,42,761	1.57
Others	65,62,473	3.90
Total (C)	4,91,13,074	29.17
Total (A) + (B) + (C)	16,83,70,853	100.00

Stock Data

(a) Monthly High & Low prices at BSE & NSE

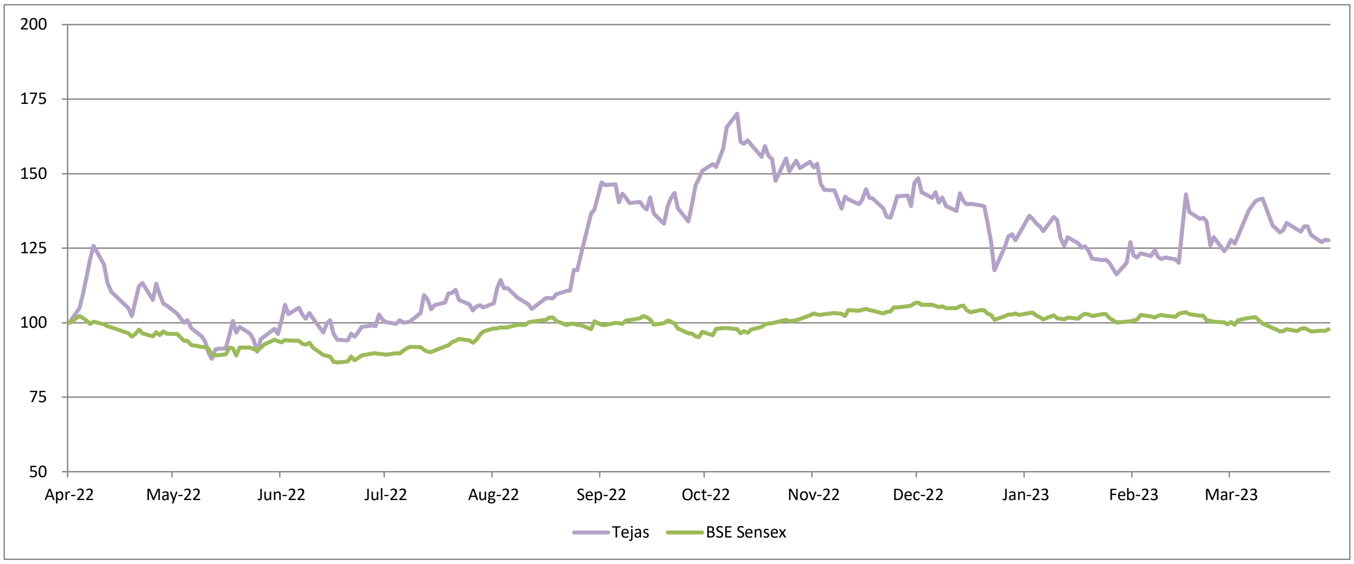
Month	NSE			BSE			Volume
	High (₹)	Low (₹)	Volume A (No.)	High (₹)	Low (₹)	Volume B (No.)	(A+B) (No.)
April 2022	570.90	445.25	1,99,03,627	578.45	445.00	28,13,641	2,27,17,268
May 2022	474.40	385.05	70,29,221	474.55	385.10	11,05,336	81,34,557
June 2022	479.90	404.05	67,36,395	479.15	404.05	9,40,762	76,77,157
July 2022	504.80	439.30	82,24,634	506.80	439.75	10,85,812	93,10,446
August 2022	648.00	465.60	2,83,33,304	648.00	465.50	25,11,877	3,08,45,181
September 2022	697.20	586.20	3,06,58,215	697.15	586.65	24,43,215	3,31,01,430
October 2022	773.00	651.20	1,99,74,826	773.00	652.65	16,68,407	2,16,43,233
November 2022	697.20	680.40	1,34,02,702	696.55	591.35	9,67,456	1,43,70,158
December 2022	677.60	516.65	96,63,649	677.75	516.65	10,08,804	1,06,72,453
January 2023	615.00	510.00	69,72,519	615.00	510.05	8,57,365	78,29,884
February 2023	643.55	525.55	1,64,91,979	642.70	522.90	13,40,428	1,78,32,407
March 2023	640.50	556.20	93,72,088	640.00	557.00	8,92,602	1,02,64,690
Total			**17,67,63,159**			**1,76,35,705**	**19,43,98,864**

Distribution of Shareholding as on March 31, 2023

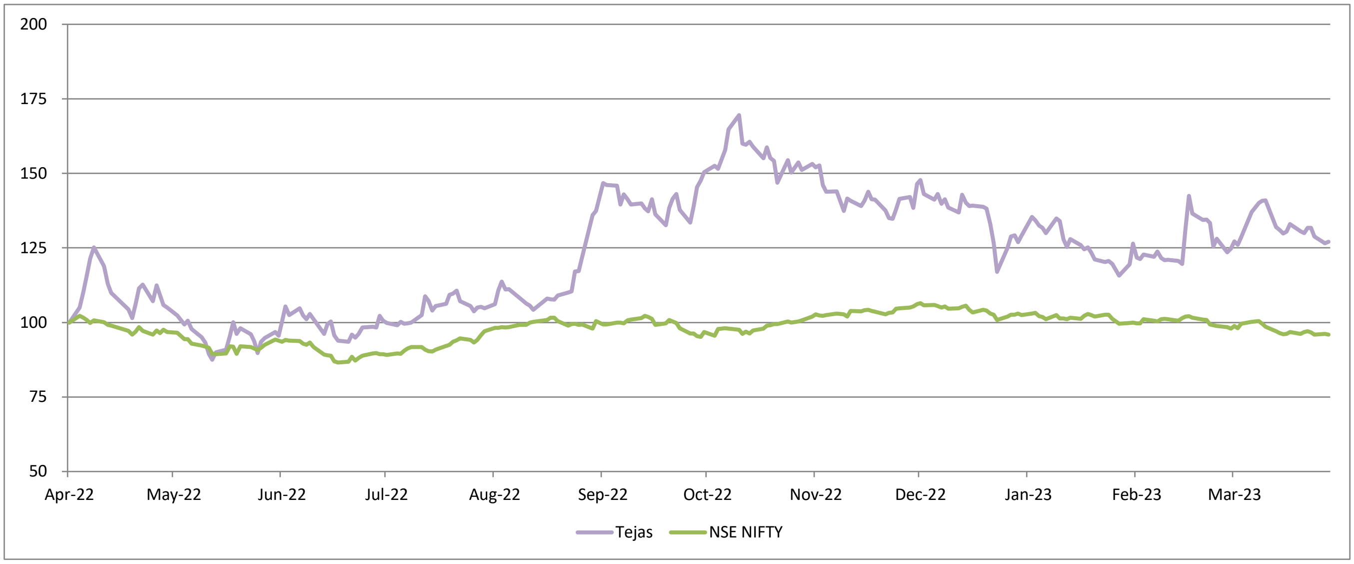
No. of Shares held		Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
From	To				
1	500	1,40,780	94.73	79,53,383	4.72
501	1,000	3,730	2.51	29,09,734	1.73
1,001	2,000	1,857	1.25	27,58,825	1.64
2,001	3,000	685	0.46	17,31,101	1.03
3,001	4,000	324	0.22	11,52,283	0.68
4,001	5,000	247	0.17	11,54,963	0.69
5,001	10,000	472	0.32	34,96,285	2.08
10,001	and above	510	0.34	14,72,14,279	87.43
Total		**1,48,605**	**100.00**	**16,83,70,853**	**100.00**

(b) The Company's share performance

Tejas share price versus the BSE Sensex



Tejas share price versus the NSE Nifty 50



Note: Base 100 - Tejas Share price on April 1, 2022 and NSE Nifty 50 index, BSE Sensex index value on April 1, 2022 have been base lined to 100.

Investor Contacts

1. For queries relating to financial statements

Venkatesh Gadiyar
Chief Financial Officer
Tel: +91 80 4179 4600, Fax : +91 80 2852 0201
Email: corporate@tejasnetworks.com

2. For queries relating to shares/compliance

N R Ravikrishnan
General Counsel, Chief Compliance Officer &
Company Secretary
Tel: +91 80 4179 4600, Fax : +91 80 2852 0201
Email: corporate@tejasnetworks.com

3. Investor correspondence

Santosh Kesavan
Head – Investor Relations
Tel: +91 80 4179 4600, Fax : +91 80 2852 0201
Email: ir@tejasnetworks.com

4. Registrar and Transfer Agents

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200, Fax: +91 22 4918 6195
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

Contact person:
Manohar Shirwadkar
Senior Associate - Link Intime India Private Limited
Tel: +91 22 - 4918 6270, Fax : +91 22 - 4918 6060
Email: manohar.shirwadkar@linkintime.co.in

5. Depository for equity shares in India

a. National Securities Depository Limited
Trade World, "A" Wing, 4th Floor
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai: 400013, India
Tel: +91 22 24994200 Fax: +91 22 24976351

b. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Fort, Mumbai: 400001, India
Tel. +91 22 23023333 Fax: +91 22 22723199

6. Addresses of regulatory authority/ stock exchanges

a. Securities Exchange Board of India
Plot No. C 4-A, G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400051, India
Tel: +91 22 26449000, +91 22 40459000
Fax: +91 22 26449019-22, +91 22 40459019-22

b. National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East),
Mumbai 400051, India
Tel: +91 22 26598100, Fax: +91 22 26598120

c. BSE Limited
Phiroze Jeejeebhoy Towers, Kala Ghoda
Mumbai 400001, India
Tel: +91 22 22721233, Fax: +91 22 22721919

RISK MANAGEMENT REPORT

Risk Management Report

1. Introduction

The objective of this document is to establish the process for Risk Management

2. Risk Management Process

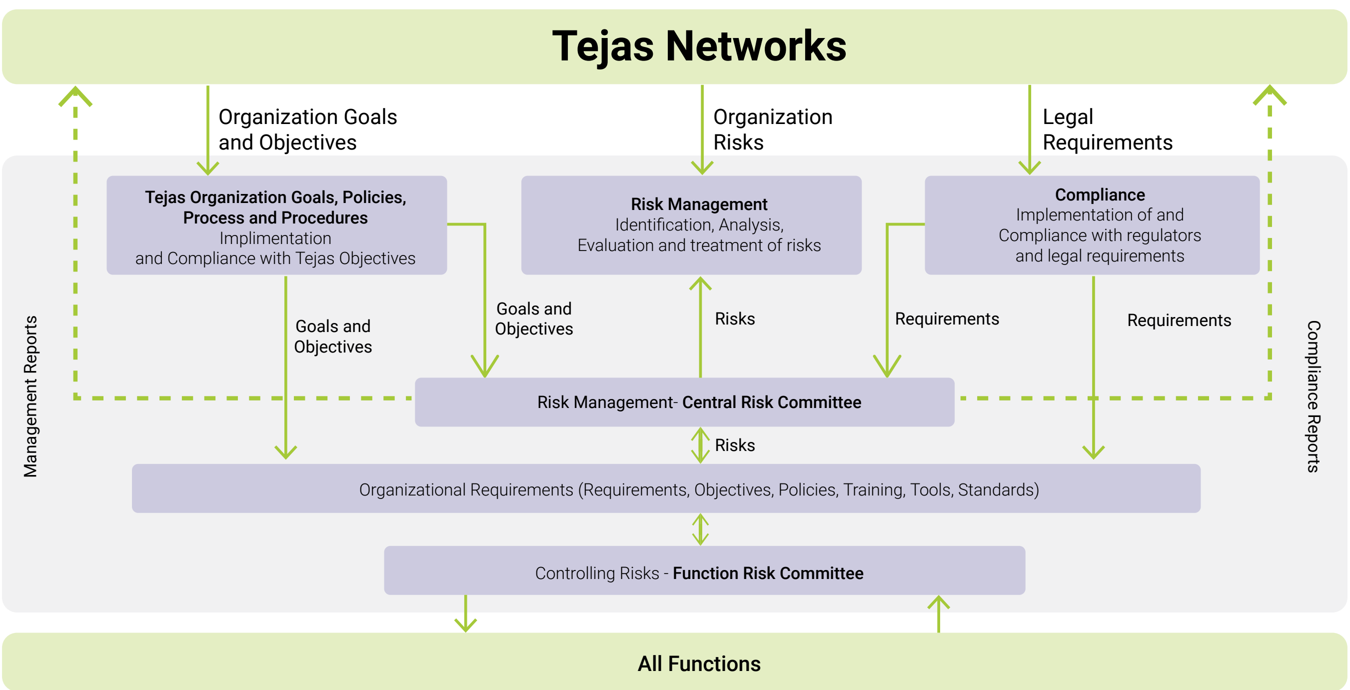
2.1 Tejas Risk Management Framework

We have established a risk management framework to identify strategic, business and operational risks. The central risk committee is headed by our COO and comprises of members from the senior management. The risk committee members identify all the risks, and address these risks to ensure there is minimal impact on our business and functioning of our organization. Using the framework, we analyse scenarios based on our past experience and current conditions to identify those risks and make necessary changes to the defined policies and procedures and set objectives for the entire organization. In addition, our compliance group also provides additional requirements to ensure legal and compliance requirements are addressed and any risk pertaining to this gets the necessary attention.

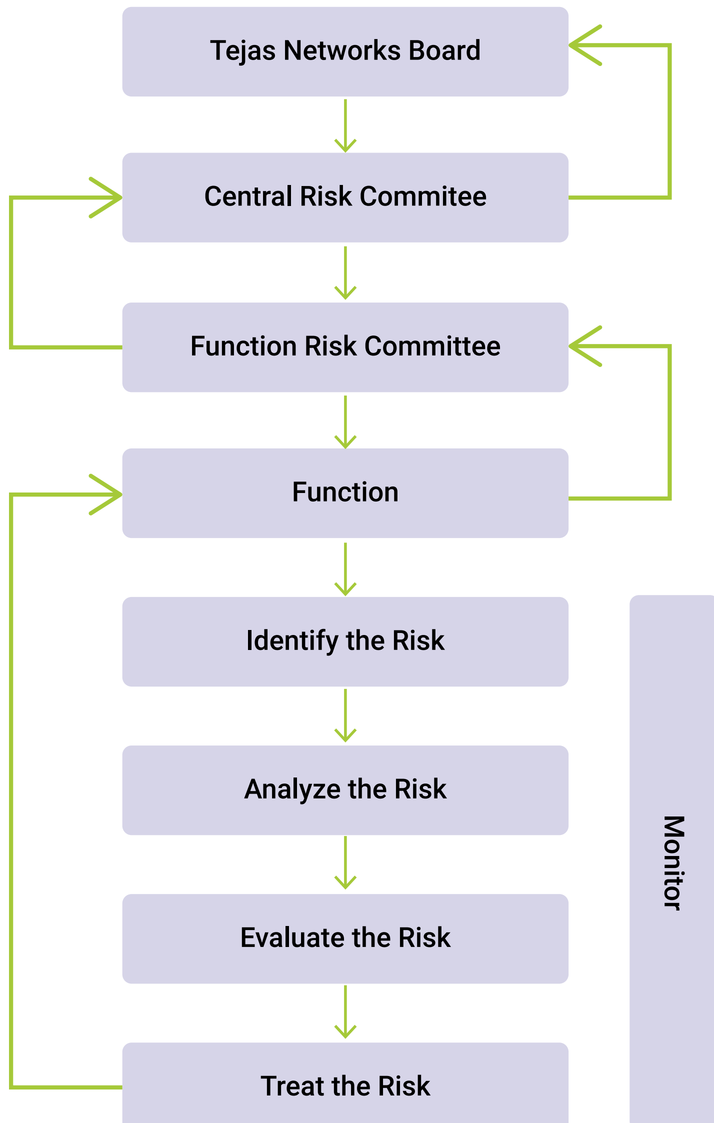
Employees and enablers are trained regularly to monitor these through various tools within the organization.

At the operation and tactical level, every function has a function risk committee to assess the risk and to address those risks. As soon as the risk is identified, the next steps are to analyze the impact on the business, evaluate the methods to address the risk, and mitigate the risk based on the identified mechanisms. All these phases are continually tracked until the risk is mitigated.

Periodic reporting of the risks happen from the various functions to the functional risk committee, who then communicates it to the Central risk committee through management reports which is then percolated to the Tejas Networks Board of Directors for further decision/guidance.



Risk Methodology



2.2 Tejas Risk Policies and Procedures

Tejas Risk Policies and procedures are meant to ensure continuity of business and protection of interests of our investors, and thus covers all the activities within the organization and events outside the organization, which have a bearing on our organization's business.

This is to ensure:

- All business decisions will be made with the prior information and acceptance of risk involved
- The risk policies, process and procedure will provide for the enhancement and protection of business from uncertainties and consequent losses
- All employees of the organization are made aware of the risks in their respective domains and their mitigation measures
- The risk mitigation measures adopted ensures that it is effective in the long-term
- Risk tolerance levels are regularly reviewed by various committees and decided upon depending on the change in strategy
- The occurrence, progress and status of all risks are promptly reported and appropriate actions are taken.

2.2.1 Risk Strategy

The adopted risk strategy is based on effective handling of the risk, based on the risk tolerance level determined. This is reviewed periodically by the established committees using one of the methods below:

– Risk Avoidance: By not performing an activity that could carry risk.

– Risk Transfer: Mitigation by having another party to accept the risk, either partial or total

- Risk Reduction: Employing methods/solutions that reduce the severity of the loss
- Risk Retention: Accepting the loss when it occurs. All risks that are not avoided are retained by default and possible mitigations arrived to reduce the severity of the risks.

To enable this, various risk committee have been established in Tejas to ensure following steps are performed.

Plan: Plans are prepared, which will describe the actions to be taken to address significant risks. This will also describe the actions including media/public relations response to be taken to address crisis or disaster situations.

Act: The risks that are assessed, are addressed by appropriate levels of the management based on the nature and magnitude of the risk. Appropriate cost-efficient actions taken to manage and control risks. The risks that we are exposed to, is broadly classified into the following categories:

- Strategic Risk: These include the range of external events that can adversely impact the organization's strategic growth and destroy shareholder value. Examples: Risks due product/technology competitiveness, product/technology readiness, SEP licensing, component vendor consolidation, Operator consolidation to fewer number of larger operators
- Business Risk: These include the risks associated specifically with the company and having an adverse impact on the company's capability to execute activities critical for business growth, thereby affecting performance. Examples: schedule delays, quality issues, semiconductor supply shortages, sales execution etc.
- Operational Risk: This risk is associated with risks which are associated with operational uncertainties like unpredictable changes in force majeure affecting operations, internal risks like attrition, and epidemic/pandemic emergencies such as COVID-19 etc.
- Environmental Risk: This risk is associated with unwanted incidents, which could lead to impact on the environment such as e-waste, power, pollutants like lead, cadmium etc. due to deficiencies in waste management, causing impact to environment as well as human health.
- Cyber Security Risk: This risk is associated with threats and vulnerabilities associated with the business operations due to the use of information systems and the environments in which those business systems operate. Examples include malware, ransomware, phishing attacks through email and browsing, users sharing confidential data or credentials, either intentionally or inadvertently etc.
- Legal and Compliance Risk: This risk is associated with our financials, and may result from litigation due to violations of laws and regulations.

2.2.2 Risk Identification Analysis and Evaluation

Risks are also identified from a number of other sources including: work place risk assessments, incident reports, complaints, external and internal audit reports, business plan, vendors dependencies, contract manufacturers' dependencies or business decisions.

Risk analysis and evaluation will concentrate not only on the impact in one area, but on several possible areas of impact such as human resources, revenues, costs, people, community, performance etc. The significance of the identified risk will be assessed in terms of the probability of occurrence, and severity of the risk, each of which will be categorized on a scale of 1 to 5 to arrive at the risk index. Based on the Risk index determined for the identified risks, they are further categorized into the below risk types:

Risk Type	Definition	Actions
Major	All major risks will be monitored on a weekly basis and controlled at the earliest. Efforts will be taken to ensure the risk is lowered as quickly as possible.	Periodic risk strengthening is done through training and proactive process management
Medium	These are risks that are acceptable, provided they can be effectively controlled. They will however, be monitored at least on a fortnightly basis.	
Minor	These are not significant now and are not likely to increase in future.	

2.2.3 Risk Treatment

Risk treatment and control are done through selection of the most appropriate option (refer below table) for treating risks. This involves balancing the cost of implementing each option against the benefits derived from it. Identified risks will be ranked in accordance with their likely impact, the acceptability of each identified risk will be assessed and proposed actions to eliminate, reduce or manage each material risk will be considered and agreed. Responsibilities for the management of each risk will be assigned to appropriate functions and monitored until the risk is addressed. Risks are proactively assessed on a regular basis and frequency of review is decided depending on the risk index.

Area	Definition
Risk Description	– Qualitative description of the events by which the occurrence of the risk may be identified
Type of the Risk	– Strategic/ Business/ Operational / legal/compliance
Likelihood of Occurrence	– Loss potential and financial impact of risk on the business – Value at Risk – Probability of occurrence and size of potential losses – Objective(s) for control of the risk and desired level of performance – To consolidate Risk Trigger
Severity	– Probability of occurrence. The significance of the identified risk will be assessed in terms of probability of occurrence, and severity of the risk, each of which will be categorized on a scale of 1 to 5
Risk Index	– Impact, if risk materializes, provides guidance in terms of monitoring the risk frequently to control and treat.
Mitigation Plan	– Primary means by which the risk is currently being managed – Levels of confidence in existing control system – Identification of protocols for monitoring and review of the process of treatment and control
Contingency Plan	– Proper and immediate follow-up steps to be taken
Status	– Risk Status Open / Close / Pending

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Annexure I

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L72900KA2000PLC026980
2	Name of the Listed Entity	Tejas Networks Limited
3	Year of incorporation	2000
4	Registered office address	J P Software Park, Plot No 25, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli Bengaluru- 560100, Karnataka
5	Corporate address	J P Software Park, Plot No 25, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli Bengaluru- 560100, Karnataka
6	E-mail	corporate@tejasnetworks.com
7	Telephone	080-41796400
8	Website	www.tejasnetworks.com
9	Financial year for which reporting is being done	FY 2022-2023 (April 1, 2022 – March 31, 2023)
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 171.64 crore (includes ₹ 3.27 crore of forfeited shares)
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	N R Ravikrishnan, General Counsel, Chief Compliance Officer & Company Secretary +91 80 41794608 ravikrishnanr@tejasnetworks.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis, unless otherwise specified.

Note: In certain cases, data for FY 2021- 22 is not applicable and hence not mentioned. However, the Company started collating the data from FY 2022 - 23.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Communication Equipment	The company designs, develops and manufactures leading-edge wireless and wireline equipment used predominantly by telecom service providers, utilities, defence and government agencies worldwide. The company has commercialized a wide range of technologies and products for building end-to-end telecom networks that includes 4G/5G mobile broadband, multi-gigabit fiber broadband, terabit-scale optical transmission and high-capacity packet switches.	92.14
2	Communication Software	The company designs and develops software products that enable remote configuration, monitoring, provisioning and management of its products from a central, web-enabled platform. The company's software products can be either hosted on dedicated servers or on the public cloud.	0.54
3	Support Services towards Communication equipment and Services	The company offers a comprehensive portfolio of network services to its customers that includes installation and commissioning of its products, post-sale support, maintenance, upgrades and repair, product training, and network design advisory, audit and optimization services.	7.32

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed	Turnover (amount in crore)
1	Manufacture of Communication Equipment	263	92.14	800.76
2	Communication Software	263	0.54	4.70
3	Support Services towards Communication equipment and Services	263	7.32	63.62

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	9	10
International	Nil	9	9

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	75+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

20%

c. A brief on types of customers

The company's customers include leading telecom operators, Internet Service Providers (ISP), Wholesale Bandwidth Providers, Utilities (Power, Railway, Oil &Gas, Smart Cities) and Government & Defence agencies across the globe

IV. Employees

18. Details as at the end of Financial Year: 2022-2023

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)*	1,417	1,214	85.67%	203	14.33%
2.	Other than Permanent (E)	357	320	89.64%	37	10.36%
3.	Total employees (D + E)	1,774	1,534	86.47%	240	13.53%
	WORKERS					
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

* includes permanent employees of Saankhya Labs

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	4	100%	0	0
2.	Other than Permanent (E)	0	0	0%	0	0
3.	Total differently abled employees (D + E)	4	4	100%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	13%
Key Management Personnel	4	0	0

20. Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)

	FY 2022-2023			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.5%	14.6%	13.6%	Not Applicable					
Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

Yes. The Company has five subsidiaries (including three step-down subsidiary) as on March 31, 2023. Refer to Form AOC-1 provided in this Annual Report for information on holding/subsidiary/ associate companies/ joint ventures.

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of he holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Saankhya Labs Private Limited	Majority Owned Subsidiary	64.40	Yes
2	Saankhya Inc	Step – down subsidiary	64.40	Yes
3	Saankhya Strategic Electronics Private Limited	Step – down subsidiary	64.40	Yes
4	Tejas Communication Pte. Limited	Wholly Owned Subsidiary	100	Yes
5	Tejas Communications (Nigeria) Limited	Step-down subsidiary	100	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes*

		As of March 31, 2023	As of March 31, 2022
(ii)	Turnover (in ₹ crore)	869.08	549.14
(iii)	Net worth# (in ₹ crore)	3,007.27	1,589.60

* 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 being ₹ 36.09 crore based on the computation as per Section 135 of the Companies Act, 2013.

Exculdes ₹ 337.50 crore for FY 2022 pertaining to money received against share warrants.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-2023			FY 2021-2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	A mechanism is in place to interact with community leaders to understand and address their concerns, if any. https://www.tejasnetworks.com/main-control/download/Whistle-blower-Policy.pdf	Nil					
Shareholders	https://scores.gov.in/scores/	Nil					
Investors (other than shareholders)		Not Applicable					
Employees and workers	https://www.tejasnetworks.com/main-control/download/Whistle-blower-Policy.pdf	Nil					
Customers	Details including contact no., address and email id for lodging complaints have been specified on products. These complaints are addressed as per the process laid down.	Nil					
Value Chain Partners	https://www.tejasnetworks.com/main-control/download/Whistle-blower-Policy.pdf	Nil					

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Recycled water	O	Recycled water is been used for Flushing, gardening and road cleaning, thereby reducing the water purchase cost and wastage		Recycled water is been used for Flushing, gardening and road cleaning, thereby reducing the water purchase cost and wastage
2	Renewable energy	O	Using renewable energy for office operation		Solar panel installation – project in pipe line
3	Power management – LED Lamps, Lift	O	Power data has been maintained to track the consumption. Energy efficient LED lighting are being used in the facility. Lift operation is scheduled to ensure minimum power consumption		
4	Air & Water quality & Noise pollution	R		Air & water quality and Noise level test is been done to ensure the parameters are within the limit	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes /No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

c. Web Link of the Policies, if available	**Code of Conduct Whistle blower policy** www.tejasnetworks.com/policies-codes.php **Supplier Code of conduct** www.tejasnetworks.com/policies-codes.php **CSR Policy, Whistle Blower Policy** www.tejasnetworks.com/policies-codes.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI Standards	GRI Standards ISO 14001	GRI Standards	GRI Standards	GRI Standards	GRI Standards, ISO 14001	GRI Standards	GRI Standards	GRI Standards, ISO 27001
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Goal: To achieve Net-Zero by year 2035 across Scope 1, 2 & Scope 3 Emissions								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

The Company is committed to integrating environmental, social and governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves. The Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr. Sanjay Nayak, Managing Director and CEO, DIN 01049871 under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility policies.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the Company has a Board level Stakeholders' Relationship Committee. This Committee provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans.

Member of the Stakeholders' Relationship Committee	Designation	DIN
Prof. Bhaskar Ramamurthi – Chairman	Non-Executive, Independent Director	01914155
Mrs. Alice G Vaidyan - Member	Non-Executive, Independent Director	07394437
Mr. Arnob Roy - Member	Executive, Non-Independent Director	03176672

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, policies on Business Responsibility of the Company are reviewed periodically or on a need basis by the Senior Leadership Team including the MD & CEO. During the review, the efficacy of the policies is reviewed and necessary changes to policies & procedures are implemented																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the MD & CEO/CFO to the Board of Directors																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has various policies in place which are reviewed from time to time by the Board, its Committees and Senior Management. Further, the above policies and processes may be subject to regulatory compliances and changes, as applicable.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	All Principles are covered by the Policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

The Company structure specifies the distribution of rights and responsibilities among different participants of the corporation such as the board, managers, shareholders and other stakeholders, and spells out the systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders and in a manner that is accountable and responsible to the shareholders. In a wider interpretation, corporate governance includes company's accountability to shareholders and other stakeholders such as employees, suppliers, customers and local community. Our corporate philosophy seeks to ensure truth, transparency, accountability and responsibility and is committed to meet the aspirations of all our stake holders. Our code of business principles reflects our continued commitment to ethical business practices, values and compliance to all laws of the land. Corporate governance is not merely compliance but also a philosophy to be professed and its objective is to create and adhere to a corporate culture of transparency and openness and to develop capabilities and identified opportunities that best serves the goal of value creation, thereby creating an outperforming organization.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by awareness the programmes
Board of Directors	During the year, the Board of Directors of the Company invested their time on various updates pertaining to the business, regulations, environmental, social, governance etc. These topics comprise insights on the said Principles		100
Key Managerial Personnel	1	1. Code of Conduct 2. Whistleblower Policy 3. Prevention of Sexual Harassment at the Workplace	100
Employees other than BoD and KMPs	2	1. Code of Conduct 2. Whistleblower Policy 3. Prevention of Sexual Harassment at the Workplace	62
Workers	Not Applicable		

Note: All the principles laid down in this Report are covered in the Company's Code of Conduct which is mandatorily adhered to by all employees of the Company.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format
(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

None. There are no fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings by the entity or by directors / KMPs with regulators/ law enforcement agencies/ judicial institutions for the financial year ended March 31, 2023.

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been** preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company does have the Code of Conduct which contans the Anti Bribery & Anti- Corruption ('ABAC') policy. The Company has also adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel of the Company have been denied access to the Chairperson of the Audit Committee.

The Gift and Hospitality Policy aims to provide guidance to Directors, Officers and Employees or persons who perform services for or on behalf of the Company on what is appropriate and acceptable, and what is not acceptable, for offering, giving and accepting gifts and hospitality. The above Policies require the Company to appoint a senior official as the Compliance Officer who shall be responsible for implementation of the Policies. Under the above Policies, Compliance Officers have a functional reporting about any violation of the Policies to the Chairperson of the Audit Committee. Aggravated cases of breach of the said Policies shall be escalated to the Board of Directors of the Company.

The Whistleblower Policy and Vigil Mechanism ensures that strict confidentiality is maintained in such cases and no unfair treatment is meted out to a Whistleblower. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistleblowers.

With an aim to create awareness, during the year under review, the Company also undertook a series of communication and training programmes on the values, The company's Code of Conduct and other ethical practices of the Company for internal stakeholders, vendors and distributors, partners, etc.

The Whistleblower Policy as adopted by the Company is available on the Company's website at https://www.tejasnetworks.com/main-control/download/Whistle-blower-Policy.pdf.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees / workers that have been brought to our attention.

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.:

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

Note: The Company proposes to conduct awareness program for value chain partners in the current financial year.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms or other association of individuals and any change therein, annually or upon any change, which includes the shareholding. Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. The Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. For identifying and tracking conflict of interests involving the Directors / KMPs of the Company, the Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This list is shared with the Finance department which flags off the parties in their system for monitoring and tracking transaction(s) entered by the Company with such parties.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

The Company designs and develops high-performance and cost-effective wireline and wireless equipment that are primarily used to build fixed and mobile broadband networks. Our products have a huge positive impact on society by enabling telecom service providers to bridge the rapidly growing "digital divide" by servicing billions of poor, bottom-of-pyramid consumers in rural and remote areas who would otherwise have been bereft of broadband connectivity for access to modern education, employment, healthcare and financial services. Moreover, the availability of high-speed broadband also has a positive environmental impact by allowing users to cut carbon emissions by teleworking, video conferencing, remote healthcare consultations, e-commerce, online banking, smart metering and other applications that reduce both road and air travel.

As a responsible product company, we give due consideration to environmental issues like global warming, climate change etc. and our products are designed accordingly. As a global supplier of telecom equipment; our products are qualified in various countries including US & Europe to meet strict environmental, emission norms. While selecting components we attempt to choose energy efficient chip sets which consume less power and design our products to minimize the total carbon footprint. In addition, we have designed some of our customer premise devices, especially those which can potentially be deployed in remote areas with power constraints, to support solar powering. Hence, nearly 100% of our R&D and capex investments help improve environmental and social impacts.

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	Nil		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Yes, the Company has developed a supplier sustainability code and has established process for vendor selection. This includes various principles and guidelines such as Safety, Health and Environment Policy, Legal Compliance, adherence to Tejas Code of Conduct, ISO Certification, etc. The Company has started carrying out a Sustainability assessment of its key suppliers and communicates areas of further improvements to reinforce sustainability principles. We have a comprehensive engagement model, to meaningfully engage with our suppliers on material aspects. Regular capacity building and assessments are conducted for key suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Our integration & testing facility does not produce any hazardous waste. The waste generated is only from packaging etc. Further in line with the requirements of ISO14001 environmental standards we re-use most of the packaging boxes for intermediate packing & movement. We re-use the packaging received from cable vendors & Sheet metal vendors for our Kit packaging. Most of our packaging use carton boxes instead of ply wood/ Hardwood packaging

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, We have filed the plan of EPR to the pollution control board and are expected to receive the EPR in this financial year

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessment (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Has the entity conducted Life Cycle products (for manufacturing industry) provide details in the following format? Name of Product / Service	% of total Turnover contributed	Perspective / or for its services Boundary for which the Life Cycle Perspective / Assessment was conducted	(Whether conducted by independent external agency (Yes/ No)	Assessments (LCA) for any of its for service industry)? If yes,Results communicated in public domain (Yes/ No) If yes, provide the web-link.
263	Manufacture of Communication equipment	92.14	Not Applicable	No	
263	Communication Software	0.54			
263	Support Services towards communication equipment and services	7.32			

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There are no significant social / environmental concerns and / or risks arising from production. The Company recycles all its plastic waste through authorised vendors.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-2023	FY 2021-2022
Nil		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-2023			FY 2021-2022		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,214	1,214	100%	1,214	100%	0	0%	1,214	100%	951	78%
Female	203	203	100%	203	100%	203	100%	0	0%	186	92%
Total*	1,417	1,417	100%	1,417	100%	203	14%	1,214	86%	1,137	80%
Other than Permanent employees											
Male	320	320	100%	320	100%	0	0%	320	100%	320	100%
Female	37	37	100%	37	100%	37	100%	0	0%	37	100%
Total	357	357	100%	375	100%	37	10%	320	90%	357	100%

* includes employees of Saankhya Labs

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	Not Applicable										
Female											
Total											
Other than Permanent workers											
Male	Nil										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-2023			FY 2021-2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Not Applicable	Yes	100%	Not Applicable	Yes
Gratuity	100%	Not Applicable	Yes	100%	Not Applicable	Yes
ESI	Not Applicable					
Others – please specify						

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most of our working locations are accessible to differently abled persons

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is governed by the Code of Conduct whereby all the employees and those eligible are provided with equal opportunities. The Company is committed by an inclusive work culture without any discrimination on the grounds of race, caste, religion, colour, marital status, gender, sex, age, nationality, ethnic origin, disability and such other grounds as precribed and protected by the applicable laws.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	58	100%	Not Applicable	
Female	14	100%		
Total	72	100%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
Permanent Employees	Yes
Other than Permanent Employees	

Employees are encouraged to share their concerns with their reporting managers, the HR department and members of the Senior Leadership Team. Apart from this, an Ethics and POSH escalation mechanism is also available including a third party helpline. The Company, on a regular basis, sensitises its employees on the same as well. It is mandatory for new employees to read, understand and affirm to the Company's Code of Conduct document as part of the induction program. Employees can raise their concerns to POSH Committee Members, the Whistleblower channel, and Grievance Redressal channel.

The concern received, if any, is investigated by the authorised persons by gathering, validating and analysing the data. The observations and findings / recommendations are shared with the committee members. The documentation of the action taken is filed for records. Periodically, these concerns are reviewed by the Audit Committee Members. The lessons learnt are also shared during the quarterly Employee Communication meetings.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-2023			FY 2021-2022		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	Not Applicable					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-2023					FY 2021-2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,214	NA	NA	606	50%	Not Applicable				
Female	203	NA	NA	89	44%					
Total*	1,417	875	62%	695	49%					
Workers										
Male	Not Applicable									
Female										
Total										

* includes employees of Saankhya Labs

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,214	1,214	100%	801	739	92%
Female	203	203	100%	119	106	89%
Total*	1,417	1,417	100%	920	845	92%
Workers						
Male	Not Applicable					
Female						
Total						

* includes employees of Saankhya Labs

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

No, The Company do not have a formal management system on Occupational health & safety, However, the Company is conducting Safety training, Evacuation drills, periodical Employee health check-up, monitoring safety incidents and review of the same.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a process for Risk Management which is essential for preventing incidents, injuries, occupational disease, emergency control & prevention and business continuity. Considering the hazards associated with operations used, sites have deployed structured Hazard Assessment, Risk Assessment and Management Process - both qualitative and quantitative which is regularly reviewed and mitigation plans are put in place for high-risk areas. The process also considers roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities. Formal risk assessment training has been provided as appropriate.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)

Yes. Incident management process has been established. Any kind of incidents are recorded. Root cause and appropriate action are taken immediately in such cases. Process and procedures have been established and complied.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under health insurance scheme.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	
	Workers	Not Applicable	
Total recordable work-related injuries	Employees	Nil	
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company is committed to continuously employing Safety, Health and Environment ('SHE') practices through benchmarking with the companies that are best in the business. The Company has a Board level Stakeholders Relationship Committee, chaired by an Independent Director. The Committee reviews and monitors the sustainability, safety, health and environmental policies and activities of the of the company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislation. This Committee also provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly addressed in all-new strategic initiatives, budgets, audit actions and improvement plans.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety						

14. Assessments for the year: 2022-2023

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There was no safety related incidents or significant risk concerns highlighted during this submission period. The Company follows Safety Incident Investigation guidelines. The Incident Investigation process describes a structured approach to identify, assess and control various hazards and risks and support the system to achieve the goal of 'Zero Harm' along with other business goals of zero defects, zero legal non-compliance etc. in a systematic and auditable manner. The investigation process outlines a structured approach to list and investigate the process of safety incidents and near misses, work out the root cause(s), with possible corrective or preventive action and to follow up closure of these actions identified. All incidents are investigated by a cross-functional team and all critical factors involved in the incident are determined through root cause analysis with proper corrective and preventive actions to prevent a recurrence. The learnings are shared and training is conducted for better understanding & better implementation of processes across all locations. A Report prepared by a process of collating all the safety incidents (critical near miss, safety parameters, process safety, fire incidents, etc.) through a safety cross functional team forms the basis for the monthly report which is sent to the senior leadership team.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. The Company has systems in place to provide financial assistance to the legal dependents of the employees in case of death while in service.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company monitors and tracks the compliance related to statutory dues by contractors supplying third party resources as a part of regular checks while processing the invoices. Periodic audits are also conducted to ensure compliance

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-2022	FY 2022-2023	FY 2021-2022
Employees	Nil			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working Conditions	100

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable.No audit was conducted during FY 2022-23.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Internal and external group of stakeholders have been identified. Presently, the given stakeholder groups have the immediate impact on the operations and working of the Company. This includes Employees, Shareholders, Customers, Communities, Suppliers, Partners and Vendors.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Tejas has identified key stakeholders based on certain parameters, and the engagements with each of them are provided in the Summary of Stakeholder Engagement in the Corporate Governance Section of the Annual Report. Tejas has annual engagements with its employees.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, Shareholder meets, email, Stock Exchange intimations, investor/ analysts meet/ conference calls, annual report, quarterly results, media releases and Company/SE website	Ongoing	Share price appreciation, dividends, profitability and financial stability, growth prospects
Employees	No	Senior leaders' communication/talk / forum, Employee Communication, goal setting and performance appraisal meetings/ review, wellness initiatives, engagement survey, email, intranet, websites, poster campaigns, circulars, quarterly publication and newsletters	Ongoing	Responsible Care, innovation, operational efficiencies, improvement areas, long-term strategy plans, training and awareness, brand communication, health, safety and engagement initiatives
Customers	No	Website, distributor / direct customer, senior leader-customer meets / visits, customer plant visits, Dealer's meet, trade body membership, complaints management, helpdesk, conferences, customer surveys.	Ongoing	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines / manufacturing, climate change disclosures, Safety awareness.
Suppliers / Partners	No	Prequalification/ vetting, communication and partnership meets, plant visits, MoU and framework agreements, professional networks, contract management/ review, on site presentations, satisfaction surveys	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), collaboration and digitalisation opportunities

Communities	No	Meets of community / local authorities / location heads, community projects, partnership with local charities, volunteerism, seminars/ conferences, CSR Partner's meet	Ongoing	Community development, disaster relief, Education, Skill development, etc.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company's Policy on Human Rights covers not only the Company but extends to its subsidiaries. The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs. Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. All employees and contractors are required to respect the human rights of fellow workers and communities where we operate. The Company does not employ child labours and does not permit any occurrence of forced or compulsory labour, conducts proper checks and audits to ensure that our contractors follow the same. The Company's business relationship with its Vendors/ contractors encourages its vendors/contractors to comply with the relevant laws safeguarding labour rights and human rights

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Stakeholders in this case is the customer, vendor, neighbour, regulators and the Company considers inputs from its employees, business associates, customers, shareholders/investors and communities surrounding its operations and regulatory authorities as its key stakeholders to arrive at the policies and activities. The Company complies with the requirements of ISO14001 environmental standards and meets all the statutory & regulatory requirements on environmental aspects. Necessary reports are generated & maintained. We do the study on aspect & impact analysis on activity we do in Tejas. Risks are adequately mitigated. All components selected based on ROHS compliancy and regulatory requirement. We have provided employee safety gears at the rework stations & provided suction units for fumes. Tejas has initiated various initiatives towards energy efficiency. The few to mention are atrium in factory premises to use natural light, save water and save electricity campaign with various teasers and visuals, Tejas also recommends compliance to ISO 14001 standard to its suppliers. Many of the Tejas suppliers are ISO 14001 certified. In addition, we have designed some of our customer premise equipment, especially those which can potentially be deployed in remote areas with power constraints, to support solar powering.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company is responsive to the requirements of all its Stakeholders and this is enshrined in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect and Responsibility. These values require that the Company acts as a responsible corporate citizen and change lives for the better and this is to be done in a manner that reflects humility. These values require us to provide everyone equal opportunities to progress and grow. The Company considers its employees, business associates, customers, shareholders/investors and communities surrounding its operations and regulatory authorities as its key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc.. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms. engage with various stakeholders to understand their concerns and expectations

4. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of/ employees workers covered (D)	% (D / C)
Employees						
Permanent*	1,417	875	62	Not Applicable		
Other than permanent	NA	NA	NA			
Total Employees	1,417	875	62			
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

* includes permanent employees of Saankhya Labs

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than inimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent*	1,417	0	0%	1,417	100%	801	0	0%	801	100%
Male	1,214	0	0%	1,214	100%	119	0	0%	119	100%
Female	203	0	0%	203	100%	920	0	0%	920	100%
Other than Permanent	357	0	0%	357	100%	0	0	0%	0	Not Applicable
Male	320	0	0%	320	100%	0	0	0%	0	
Female	37	0	0%	37	100%	0	0	0%	0	
Workers										
Permanent										
Male	Not Applicable									
Female										
Other than Permanent										
Male	Not Applicable									
Female										

* includes permanent employees of Saankhya Labs

3. Details of remuneration/salary/wages, in the following format:

in ₹ crore

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	7	2.27	1	-
Key Managerial Personnel	2	1.46	-	-
Employees other than BoD and KMP	1,116	0.11	185	0.08
Workers	-	-	-	-

* Only Executive Directors are considered for medien calculation.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, The Company's Policy on Human Rights covers not only the Company but extends to its subsidiaries. The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs. Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. All employees and contractors are required to respect the human rights of fellow workers and communities where we operate. The Company does not employ child labours and does not permit any occurrence of forced or compulsory labour, conducts proper checks and audits to ensure that our contractors follow the same. The Company's business relationship with its Vendors/ contractors encourages its vendors to comply with the relevant laws safeguarding labour rights and human rights

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a policy in place for Business & Human Rights. The Company is committed to maintain a safe and harmonious business environment and workplace for everyone and believes that every workplace shall be free from harassment and / or any other unsafe or disruptive conditions. Accordingly, the Company has in place an ethics framework comprising a team of ethics counsellors for redressal of grievances related to ethics / human rights as well as a team of POSH committee members for redressal of such related issues. Additionally, a third party helpline is also in place.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil					
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

1. As part of Whistleblower Policy and POSH Policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.
2. Also, as part of its Code of Conduct, the Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

- The Company has specific clauses as part of the Code of Conduct included in the business agreements and contracts / purchase orders. Human rights form a part of the Code of Conduct. The Company does not employ children at its workplaces and does not use forced labour in any form.
- The Code of Conduct can be accessed at https://www.tejasnetworks.com/policies-codes.php

9. Assessments for the year: 2022-2023

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not Applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable. The Company has Grievence Redressal Channel. No such grievance has been raised

2. Details of the scope and coverage of any Human rights due-diligence conducted.

None.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, most of our locations are accessible to differently-abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

Note: Declaration of adherence to the Supplier Code of Conduct on the above is obtained from the value chain partners as part of their contract / purchase orders. The contracts are not renewed or they are terminated in case of non-adherence to the Code of Conduct agreed upon. https://www.tejasnetworks.com/policies-codes.php

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable. However, the declaration of adherence to the Supplier Code of Conduct on the above is obtained from the value chain partners as part of their contract / purchase orders. The contracts are not renewed or they are terminated in case of non-adherence to the Code of Conduct agreed upon. https://www.tejasnetworks.com/policies-codes.php

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: T Co2 e (Ton)

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	5,936,706 Kwh	4,283,101 Kwh
Total fuel consumption (B)	163,634 Kwh	194,510 Kwh
Energy consumption through other sources (C)	Nil	
Total energy consumption (A+B+C)	61,00,340 Kwh	44,77,611 Kwh
Energy intensity per rupee of turnover (Total energy consumption/ turnover in ₹)	0.000701931	0.000815386
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

Note: Total electricity consumption for all excluding International locations and Total fuel consumption considered for two Bangalore locations (Corp office and Plant).

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	
(ii) Groundwater		
(iii) Third party water	5,596 KL	5,020 KL
(iv) Seawater / desalinated water		Nil
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,596 KL	5,020 KL
Total volume of water consumption (in kilolitres)	5,596 KL	5,020 KL
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000064393	0.0000009143
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

Note: Drinking water for all excluding International locations and Domestic water for two Bangalore locations (Corp office and Plant) are considered here.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes – for Bangalore location (Corp office), the sewage treated water is been re-used for flushing, Gardening and basement & periphery area cleaning purpose. At the plant sewage treated water is been re-used for gardening and periphery cleaning purposes

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
NOx	mg / Nm^3	1.8	15
SOx	mg / Nm^3	16	4.1
Particulate matter (PM)	mg / Nm^3	32	32
Persistent organic pollutants (POP)	Not Applicable		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	718.81	470.80
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,281.73	3,760.47
Total Scope 1 and Scope 2 emissions per rupee of turnover			0.00000071751
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
Yes. Installation of Solar panel at Bangalore offices is in pipeline

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Nil	
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)	Nil	150 Kg (Used oil)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	29,532 Kg	4225 Kg
Total (A+B + C + D + E + F + G + H)	29,532 Kg	4375 Kg
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	
(ii) Re-used		
(iii) Other recovery operations	Not Applicable	
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	18629	2971
(i) Incineration	Nil	
(ii) Landfilling		
(iii) Other disposal operations	22431 Kg	2971
Total	22431 Kg	2971

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

Note: Non Hazard Waste data considered for two Bangalore locations (Corp office and Plant). The other excluding International locations (covering 23 % of total office area)

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
The Company has an established process to cater to handle General, Plastic, e-waste, Hazardous, etc. All wastes have been segregated at its source and send it to the authorized recyclers as and when required / its desired quantity achieved

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in ublic domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)`
From renewable sources		
Total electricity consumption (A)	Nil	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	59,36,706 Kwh	42,83,101 Kwh
Total fuel consumption (E)	163,634 Kwh	194,510 Kwh -
Energy consumption through other sources (F)		Nil
Total energy consumed from non-renewable sources (D+E+F)	61,00,340 Kwh	44,77,611 Kwh

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

Note: Total electricity consumption for all excluding International locations and Total fuel consumption considered for two Bangalore locations (Corp office and Plant). The other locations (covering 23 % of total office areas)

2. Provide the following details related to water discharged:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		

(iii) To Seawater		
- No treatment	Not Applicable	
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment	Nil	
(v) Others		
- No treatment		
- With treatment – please specify level of treatment	8,143 KL	15,537 KL
Total water discharged (in kilolitres)	8,143 KL	15,537 KL

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

Note: Water discharge data considered for two Bangalore locations (Corp office and Plant). The other excluding International locations (covering 23 % of total office area)

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
For each facility / plant located in areas of water stress, provide the following information:
(i) Name of the area : Not Applicable
(ii) Nature of operations : Not Applicable
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	
(ii) Groundwater		
(iii) Third party water	5,596 KL	5,020 KL
(iv) Seawater / desalinated water		Nil
(v) Others		
Total volume of water withdrawal (in kilolitres)	5,596 KL	5,020 KL
Total volume of water consumption (in kilolitres)	5,596 KL	5,020 KL
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000064393	0.0000009143
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	Nil	
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		Nil
- With treatment – please specify level of treatment	8,143 KL	15,537 KL
Total water discharged (in kilolitres)	8,143 KL	15,537 KL

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Excluded	
Total Scope 3 emissions per rupee of turnover	Excluded		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

The Company has not made independent assessment/ evaluation/assurance has been carried out by an external agency

6. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Not Applicable

If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
Tejas Networks recognizes that a significant threat exists to its ability to continue normal business operations following a serious unexpected disruptive incident. The organization has a high level of dependency upon its automated systems and processes and this creates risks, which need to be mitigated. The organization further recognizes that it needs to recover from disruptive incidents in the minimum possible time and that this necessity to ensure a speedy restoration of services requires a significant level of advance planning and preparation. This Business Continuity Plan has been prepared to assist the organization to manage a serious disruptive crisis in a controlled and structured manner. It contains information on emergency contact details, strategies to mitigate impact, procedures to be implemented and communication processes to be followed in response to a serious disruptive event.
Tejas as a Company positioned to operate in the global markets believes that its operations should have processes and systems in place to address any kind of exigencies within and outside of Tejas that affects its operations, including employees, property of the Company, manufacturing processes and customer support. This Business Continuity Plan seeks to address

- A need for establishing systems and processes in the Company to address emergencies
- To establish guidelines for the Company to ensure quicker turnaround from a break in operations
- To ensure that managers/employees are geared to meet an exigency in the absence of senior management guidance

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
No such incidents has happened which affected the business.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
100%

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations

Seven (7)

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	TEPC (Telecom Export Promotion Council)	National
2	VOICE (Voice of Indian Communication Technology Enterprises)	
3	TEMA (Telecom Equipment Manufacturer Association)	
4	CII	
5	FICCI	
6	SITARA	
7	ICEA	

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Company is not involved in influencing directly any Government schemes or its policy. Whenever a policy is made or Government wants to come up with some scheme to support the domestic OEM, the inputs are asked from the associations generally. The Company as a part of this associations and actively give its inputs. Further the Company attends meetings at various forums, Committee or Taskforce where the Company express its views.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1.Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company shall make CSR contributions to projects or programs of Healthcare, Education, Disaster Management including COVID relief measures and other areas in accordance with the CSR Policy of the Company. The projects shall be implemented or executed through implementing agencies that are duly registered under Companies Act, 2013 and other applicable regulations

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2.Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a focussed group comprising the Senior Leadership who interacts with the community leaders to understand and address their concerns. Further, the Company also has a Whistleblower Policy in place for all its stakeholders to file their grievances. Same can be accessed at https://www.tejasnetworks.com/main-control/download/Whistle-blower-Policy.pdf

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	Amount in INR					
	2022-23		2021-22		2020-21	
	Material	Service	Material	Service	Material	Service
Total Purchases	9,16,96,61,801	52,28,42,116	4,15,91,65,122	39,25,20,431	2,33,33,27,709	23,01,46,145
MSME Purchases	65,13,23,920	11,50,08,619	41,81,33,596	11,07,34,623	26,04,19,610	9,67,84,390
% of MSME Purchases	**7.10%**	**22.00%**	**10.05%**	**28.21%**	**11.16%**	**42.05%**
Purchase from Local Vendors*	1,68,51,81,274	14,00,39,898	57,68,67,715	8,94,38,173	60,49,32,597	7,56,47,417
% of Purchase from Local Vendors	**18.38%**	**26.78%**	**13.87%**	**22.79%**	**25.93%**	**32.87%**
*Within Bangalore District Note: These amounts do not include Capex Purchases as requested. Note: This includes purchases from Contract Manufacturers						

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.State	Aspirational District	Amount spent (In INR)
Not Applicable		

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No (Procurement is done based on competitiveness). However we encourage marginalised and vulnerable groups.

(b) From which marginalized /vulnerable groups do you procure?

If such a vendor is available, the Company prefers the vendor, if competitive.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes / No)	Benefits Shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.:

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Not Applicable			

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has Trouble Ticket process for customer to raise complaints and respond to customer complaints. the Company provides the Technical Support Centre numbers (24x7) and email id for customers to raise complaints/feedback. the Company has Problem Report process (Bugzilla) to track the customer complaints and work on resolution in line with contractual SLA. Further, the Company also has a customer survey process to capture and analyze customer feedback proactively

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-2023		Remarks	FY 2021-2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Others (Product Issues)						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Tejas is committed to protecting the privacy of individuals whose personal data it holds, and processing such personal data in a way that is consistent with applicable laws and ensures safety and security of data including where it has presence in several overseas jurisdictions including Singapore, the United States of America, Mexico and UAE, and is committed in ensuring compliance with applicable laws across these jurisdictions. Tejas has an integrated and centralized strategy for achieving data privacy compliance across all jurisdictions

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No issue were reported as on March 31, 2023.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all products of the Company are available on the website at www.tejasnetworks.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company conducts meetings to educate its customers on responsible usage of our products as well as safe disposal of the products as well provide various user manuals along with the company products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has a End of Life/End of Sales process and customer communication process to inform customer on End of Life/End of Service for its products. Besides, the Company maintain key contacts in customer operations team /Network Operating Centre team and communicate to them of any risk of disruption/discontinuation of essential services due to maintenance activities (usually scheduled in maintenance window with customer approved downtime).

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No, the Company publishes information as per the regulatory norms, and also the Company conducts customer satisfaction survey every year on the major products of Tejas

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

There were no data breaches as on March 31, 2023.

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

STANDALONE FINANCIAL STATEMENTS

Standalone Financial Statements

Independent Auditor's Report

To the Members of Tejas Networks Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Tejas Networks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description

Assessment of the carrying value of Intangible Assets (including intangible assets under development)

(Refer to notes 4(b) to the standalone financial statements)

The Company incurs product development costs and capitalises such expenditure to the extent it qualifies for recognition as an Intangible Asset (product development). Such expenditure includes internal manpower costs, outsourced manpower costs and other related expenses incurred on such development projects. Up to the stage the products are ready to be put to use, the Company records the qualifying expenditure as 'intangible assets under development'.

The Company tests Intangible Assets 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.

The determination of the recoverable values of intangible assets (including intangible assets under development) for carrying out impairment assessment involves several key assumptions including discount rates and future cash flow projections for ascertaining future economic benefits expected to be generated by such assets.

The Company has carried out an impairment assessment of intangible assets (including intangible assets under development) and concluded that the recoverable value is higher than the carrying amount of such assets. Accordingly, no adjustment to the carrying amount of intangible assets (including intangibles assets under development) is considered necessary as at March 31, 2023.

We considered this a key audit matter as:

a. The amounts involved were significant.
b. The review of carrying values of intangible assets (including intangible assets under development) involves significant management judgements and estimates such as expected future economic benefits, estimated margins and discount rates.

How our audit addressed the key audit matter

Our audit procedures, which involved applying materiality and sampling techniques, included the following:

- Understanding, evaluating and testing the design and operating effectiveness of the controls in respect of the Company's processes for assessing the recoverable values of intangible assets (including intangible assets under development).
- Testing the capital funding request forms and other documentation to ensure that the projects were appropriately approved as per the delegated authority matrix.
- Obtaining an understanding of the selected capitalized projects, testing time charged to such projects by tracing back to time sheet data.
- Testing a sample of projects to ensure appropriate capitalisation of qualifying costs.
- Assessing whether sufficient economic benefits are likely to flow from the projects to support the values capitalised.
- Analysing the reasonableness of key management assumptions and estimates used in the impairment analysis (e.g. forecasted revenue, margin percentages, etc.)
- With the involvement of auditor's experts, evaluating the appropriateness of the underlying assumptions such as discount rate and assessing the methodology of impairment workings.

Based on our procedures performed above, we noted the management's assessment of the carrying value of intangible assets (including intangible assets under development), to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29.1 to the financial statements;

        ii) The Company has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. There are no derivative contracts as at March 31, 2022 for which there were material foreseeable losses;

        iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

        iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have (which are material either individually or in the aggregate) been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 on behalf of the Ultimate Beneficiaries (Refer Note 37(vii) to the financial statements);

        (b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 (Refer Note 37(vii) to the financial statements); and

        (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

        v) The Company has not declared or paid any dividend during the year.

        vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 23209136BGXTWN6871

Place: Bengaluru
Date: April 21, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tejas Networks Limited on the standalone financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under Section 143(3)(i) of the Act

1. We have audited the internal financial controls with reference to financial statements of Tejas Networks Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 23209136BGXTWN6871

Place: Bengaluru
Date: April 21, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Tejas Networks Limited on the standalone financial statements as of and for the year ended March 31, 2023.

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) (Refer Note 4(a) to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us and as represented by the management, no proceedings have been initiated on or are pending against the Company for holding benami property 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, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 37(ii) to the financial statements).

iii. (a) The Company has made investment in one subsidiary, 19 mutual fund schemes and 3 inter-corporate deposits during the year. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, accordingly to this extent, the reporting under clause 3 (iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments made are not prejudicial to the Company's interest.

(c) The company has not granted secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the investments made. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of service tax and goods services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and value added tax as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

in ₹ crore

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest
Central Excise Act, 1944	Tax, interest and penalty	46.24	2002-2014	Supreme Court and CESTAT, Chennai	2.60
West Bengal Value Added Tax Act, 2003	Tax and interest	0.51	2014-15	West Bengal Sales Tax Appellate Revisionary Board	0.05
Karnataka Value Added Tax Act	Tax, interest and penalty	0.02	2016-17	Assistant Commissioner of Commercial taxes	-
Customs Act, 1962	Tax	0.14	2018-19	Commissioner (Appeals), Chennai	0.14

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) 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:

in ₹ crore

Nature of securities	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance (*)	Amount utilized for the other purposes	Un-utilized balance as at Balance sheet date	Remarks
Preferential Issue -Share warrants, Equity shares on conversion of share warrants	The Company sees a large opportunity in the telecom sector both in Indian and international markets. The Company plans to leverage the opportunity for growth from new cycle of investment in 5G and fiber-based broadband rollouts. The Company will utilize the proceeds raised from the preferential allotment 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.	1,588.83	-	58.45	None

(*) Includes opening utilized balance of ₹ 576.33 crore.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided, and as represented by the management of the Company, the Group has six CICs as part of the Group as detailed in note 37(xi) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 29.9 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 23209136BGXTWN6871

Place: Bengaluru
Date: April 21,2023

Standalone Balance Sheet

in ₹ crore

Particulars	Notes	As at March 31, 2023	As at 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)

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2023

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

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)

Venkatesh Gadiyar
Chief Financial Officer

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

Standalone Statement of Profit and Loss

in ₹ crore, except equity share and per equity share data

	Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 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			
	Remeasurements of the 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 ₹ 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

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)

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(DIN:03176672)

Venkatesh Gadiyar
Chief Financial Officer

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

Standalone Statement of Changes in Equity

A. Equity Share Capital

in ₹ crore

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 ₹ 3.27

B. Other Equity

in ₹ crore

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)

Mohan Danivas S A
Partner
Membership no: 209136

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Date: April 21, 2023

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(DIN:03176672)

Venkatesh Gadiyar
Chief Financial Officer

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

Standalone Statement of Cash Flows

in ₹ crore

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 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

in ₹ crore

Particulars	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
Firm Registration Number (FRN 012754N/N500016)

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2023

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

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Venkatesh Gadiyar
Chief Financial Officer

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

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

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).

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.

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

Leasehold improvements are depreciated over it's 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 ₹ 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:

i) Product's technical and marketing feasibility has been established;

ii) There is likelihood of the product delivering sufficient future economic benefit; and

iii) The 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:

Asset	Useful Life
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 flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the 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 period.

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

Right of use assets are measured at cost comprising the following:

a) the amount of the initial measurement of lease liability

b) any lease payments made at or before the commencement date,

c) any initial direct costs, and

d) restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the 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 judgements

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

in ₹ crore

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(i))

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 ₹ 8.98 (March 31, 2022 - ₹ 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

in ₹ crore

Particulars	Computer Software	Product Development	Total	Intangible Assets under development (IAUD)[1]
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:

1. Additions to Intangible Assets under development includes capitalization of employee benefit expense and other eligible expenses (Refer Note No. 22 and Note No. 24).

2.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.

3. As at March 31, 2023, the net carrying amount of product development is ₹ 88.89 (March 31, 2022 – ₹ 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 ₹ 53.02 as at March 31, 2023 (₹ 48.17 as at March 31, 2022). If the useful life were estimated to be 3 years, the carrying amount would be ₹ 121.74 as at March 31, 2023 (₹ 102.04 as at March 31, 2022).

(a) Intangible assets under development ageing schedule

As at March 31, 2023

in ₹ crore

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

in ₹ crore

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	-	-	-	-	-

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

in ₹ crore

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

As at March 31, 2022

in ₹ crore

Project Name Completion is overdue*	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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

in ₹ crore

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

Note No. 5: Investments

(all amounts in ₹ Crore, except equity share and per equity share data)

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 subsidiaries (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

[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 ₹ 454.19 per equity share aggregating to ₹ 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.

(ii) Other Investments (Unquoted) {FVTPL}

Equity instruments of others	March 31, 2023	March 31, 2022
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		-		-

Note No. 6: Trade Receivables

in ₹ crore

Particulars	As at March 31, 2023	As at 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 ₹ 4.07 pertains to receivables from entity where directors are interested

Ageing as at March 31, 2023

Non-current

in ₹ crore

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

in ₹ crore

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

in ₹ crore

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

Current

in ₹ crore

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

Note No. 7: Cash and Bank Balances

in ₹ crore

Particulars	As at March 31, 2023	As at 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:

in ₹ crore

Particulars	As at March 31, 2023	As at 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

Note No. 8: Other Financial Assets

in ₹ crore

Particulars	As at March 31, 2023	As at 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 pertains to receivables from a private company where directors are interested.

Note No. 9: Tax assets

in ₹ crore

Particulars	As at March 31, 2023	As at 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		
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

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.

Note No. 10: Other assets

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material - components including assemblies and sub-assemblies [including goods in transit ₹ 13.54 (March 31, 2022: ₹ 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 ₹ 8.74 (March 31, 2022 ₹ 7.68).

Note No. 12: Equity Share Capital

in ₹ crore, except share data

Particulars	Number of Shares	Equity Share Capital
i) Authorised Capital		
Equity Share Capital of ₹ 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 ₹ 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

Particulars	As at March 31, 2023	As at 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 ₹ 10/-. They entitle the holder to participate in dividends declared if any, and to share in the proceeds upon winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

- 1,93,79,845 equity shares, having face value of ₹ 10/- each, at a price of ₹ 258 per Equity Share, aggregating to ₹ 500 ("Subscription Shares");
- 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of ₹ 258 per equity share aggregating to ₹ 950 ("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 ₹ 258 per equity share aggregating to ₹ 400 ("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 ₹ 837.50, which includes exercise price on subscription shares amounting to ₹ 500.00 and 25% of the Series A Warrants and Series B Warrants amounting to ₹ 237.50 and ₹ 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 ₹ 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 ₹ 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 ₹ 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.

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:

in Nos

Particulars	As at	
	March 31, 2023	March 31, 2022
Equity shares of ₹ 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.

Note No. 13: Other Equity

in ₹ crore

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

in ₹ crore

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

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	(13.75)	52.06
(Loss)/Profit for the year	3.04	(63.73)
Items of other comprehensive income recognized directly in retained earnings		
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

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

Particulars	As at March 31, 2023	As at 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.

Note No. 14: Lease Liabilities

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

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

in ₹ crore

Particulars	As at March 31, 2023	As at 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.

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	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

in ₹ crore

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.43	-	-	-	-	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

in ₹ crore

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

in ₹ crore

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

Note No. 19: Revenue from Operations

in ₹ crore

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

in ₹ crore

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

in ₹ crore

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

in ₹ crore

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

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Purchase of stock in trade	31.82	23.69

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

Note No. 22: Employee Benefit Expense

in ₹ crore

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 year [Refer Note No. 4(b)]	150.33	79.63
Total employee benefit expenses	172.16	124.51

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:

in ₹ crore

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 ₹ 7.77 (March 31, 2022 – ₹ 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.

in ₹ crore

Particulars	As at March 31,	
	2023	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:

in ₹ crore

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:

in ₹ crore

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
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.84)	-	(0.84)
Actuarial (Gain)/ Losses due to experience adjustments on DBO	2.04	-	2.04
Return on Plan Assets (Greater) / Lesser than Discount rate	-	0.88	0.88
Total amount recognised in other comprehensive income	1.20	0.88	2.08
Employer contributions/ premiums paid	-	(4.50)	(4.50)
Benefit payments	(1.58)	1.58	-
As at March 31, 2022 (Refer Note No. 10)	23.55	(23.78)	(0.23)

in ₹ crore

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
Remeasurements			
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	2022
Insurer managed funds	100%	100%

c) Risk Exposure

1. Interest rates risk : The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase although this will be partially offset by an increase in value of the plan assets.
2. Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
3. Demographic risks: This is the risk 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.
4. Asset Liability Mismatch: This will come into play unless the funds are invested with the term of the assets replicating the term of the liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans (Gratuity) for the year ending March 31, 2024 are ₹ 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:

in ₹ crore

Particulars	As at March 31,	
	2023	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

Note No. 23A: Finance Cost

in ₹ crore

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

in ₹ crore

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

in ₹ crore

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].

Note No. 25: Income Tax Expense

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 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:

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 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)

Note No. 26: Fair Value Measurement

(i) Financial instruments by category

in ₹ crore

	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

(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

in ₹ crore

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

in ₹ crore

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

	in ₹ crore
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 institutions, security deposits and other financial assets to be immaterial.

(iii) Sensitivity Analysis

The sensitivity of profit or loss to changes in the loss allowance

in ₹ crore

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:

in ₹ crore

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:

in ₹ crore

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.

in ₹ crore

Contractual maturities of financial liabilities	Less than 6 months	6 months to 1 year	Between 1 and 2 years	More than 2 years	Total
March 31, 2023					
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	Less than 6 months	6 months to 1 year	Between 1 and 2 years	More than 2 years	Total
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 ₹ 2.59 (March 31, 2022: ₹ 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:

in ₹ crore

Particulars	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:

in ₹ crore

Particulars	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:

in ₹ crore

Particulars	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

in ₹ crore

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.

in ₹ crore

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.

Note No. 29: Additional Information to Financial Statements

in ₹ crore

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 ₹ 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 ₹ 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 ₹ 3.32 crore 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 ₹ 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.

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:

in ₹ crore

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	-	-

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

in ₹ crore

Particulars	Year Ended	
	March 31, 2023	March 31, 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 ₹ 186.31 are derived from two external customers (March 31, 2022: ₹ 179.50 from two external customer) each exceeding 10% of the total revenue.

in ₹ crore

Particulars	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 ₹ 42.89 (March 31, 2022: ₹ 14.56) being Right of use assets pursuant to adoption of Ind AS 116.

29.4 Revenue from contract with customers

(i) Disaggregation of revenue from contracts with customers

The table below presents disaggregated revenue from contracts with customers. The 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).

in ₹ crore

Particulars	Year Ended	
	March 31, 2023	March 31, 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:

in ₹ crore

Particulars	Deferred Revenue	Advances received from customers
Balance as on April 1, 2021	2.07	1.25
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 ₹ 1,882 crore. 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

in ₹ crore

Particulars	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.

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:

in ₹ crore

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

in ₹ crore

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 ₹ 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:

in ₹ crore

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 ₹ 12.29 (March 31, 2022: ₹ 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.

29.6: Earnings/(Loss) per share

in ₹ crore except for share data or as otherwise stated

Particulars	Year Ended March 31,	
	2023	2022
Basic		
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 (₹)	10	10
Earnings/(loss) per equity share - Basic (₹)	0.20	(6.07)
Diluted		
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 (₹)	10	10
Earnings/(loss) per equity share - diluted (₹)	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.

in ₹ crore

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 ₹ 150.33 (March 31, 2022: ₹ 79.63) and ₹ 9.06 (March 31, 2022: NIL) towards cost of technical services.

29.8: Related party transactions

(i) Details of related parties:

Description of relationship	
Ultimate Holding Company (w.e.f October 29, 2021)	Tata Sons Private Limited
Holding Company/ Controlling Entity (w.e.f October 29, 2021)	Panatone Finvest Limited
Subsidiary	Tejas Communication Pte Limited, Singapore
	Saankhya Labs Private Limited (w.e.f July 1, 2022)
Step-down subsidiary	Tejas Communications (Nigeria) Limited, Nigeria
	Saankhya Strategic Electronics Private Limited (w.e.f July 8, 2022)
	Saankhya Labs 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 Bhave
	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 from June 28, 2022)
	N. Ganapathy Subramaniam (appointed w.e.f January 19, 2022)
	Amur Swaminathan Lakshminarayanan (appointed w.e.f January 19, 2022)

(ii) Transaction with related parties during the year

in ₹ crore

Particulars	Year Ended March 31, 2023				
	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

Particulars	Year Ended March 31, 2022				
	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
Directors' Sitting fees	0.26	0.28
Directors' Commission	0.48	0.48

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

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

in ₹ crore

Particulars	As at March 31, 2023				
	Holding Company/ Controlling Entity	Subsidaries/ Step down subsidiaries	Subsidiaries of Ultimate Holding Company	Other Related Parties/Key Management Personnel	Total
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				
	Holding Company/ Controlling Entity	Subsidaries/ Step down subsidiaries	Subsidiaries of Ultimate Holding Company	Other Related Parties/Key Management Personnel	Total
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 ₹ 183.19 (March 31, 2022 ₹ 347.88)

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

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

in ₹ crore

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 ₹ 837.50 raised during the year ended March 31, 2022.
# Unutilised as at March 31, 2022 amounted to ₹ 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 ₹ 585.52 (March 31, 2022 - ₹ 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 ₹ 585.52 (March 31, 2022 - ₹ 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
(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 ₹ 585.52 (March 31, 2022 - ₹ 356.62)

Particulars	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of stock units	Weighted average exercise price (INR)	Number of stock units
(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 ₹ 585.52 (March 31, 2022 - ₹ 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.

Particulars	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of stock units	Weighted average exercise price (INR)	Number of stock units
(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 ₹ 585.52 (March 31, 2022 -Nil)

(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:

in ₹ crore

	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

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

in ₹ crore

Particulars	Note	As at March 31, 2023	As at 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, availment out of fund and non-fund based facilities will be within the limits sanctioned. The pari-passu charge implies that the banks have a proportionate claim on the collaterals, limited to actual utilisation of fund and non-fund based facilities. The aggregate of fund and non-fund based facilities utilised as at March 31, 2023 aggregates to ₹ 109.97 (March 31, 2022: ₹ 103.27).

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

in ₹ crore, except equity share and per equity share data

Particulars	Year ended March 31, 2023	Year ended March 31, 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) (E) = (C) - (D)	45.33	(81.58)
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 ₹ 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

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

in ₹ crore

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:

in ₹ crore

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:

in ₹ crore

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 ₹ Nil* (previous year ₹ 0.46).

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

in ₹ crore

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: ₹ Nil (2022: 0.46) (included under expenditure on corporate social responsibility note no. 24)

in ₹ crore

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

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 Communication 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)

in ₹ crore

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

in ₹

Particulars	As at March 31, 2023	As at March 31, 2022
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:

a. 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

b. 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:

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

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

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

The 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.

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 ₹ 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 ₹ 8.98 (March 31, 2022 - ₹ 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 ₹ 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)

Mohan Danivas S A
Partner
Membership no: 209136

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

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 and Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Tejas Networks Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tejas Networks Limited (hereinafter referred to as the "Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 1 and 29.8 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description
Assessment of the carrying value of Intangible Assets (including intangible assets under development)
(Refer to note 4(b) to the Consolidated financial statements)
The Company incurs product development costs and capitalises such expenditure to the extent it qualifies for recognition as an Intangible Asset (product development). Such expenditure includes internal manpower costs (including eligible share-based payments), outsourced manpower costs and other related expenses incurred on such development projects. Up to the stage the products are ready to be put to use, the Company records the qualifying expenditure as 'intangible assets under development'.
The Company tests Intangible Assets 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.
The determination of the recoverable values of intangible assets (including intangible assets under development) for carrying out impairment assessment involves several key assumptions including discount rates and future cash flow projections for ascertaining future economic benefits expected to be generated by such assets.
The Company has carried out an impairment assessment of intangible assets (including intangible assets under development) and concluded that the recoverable value is higher than the carrying amount of such assets. Accordingly, no adjustment to the carrying amount of intangible assets (including intangibles assets under development) is considered necessary as at March 31, 2023.
We considered this a key audit matter as:
a) The amounts involved were significant.
b) The review of carrying values of intangible assets (including intangible assets under development) involves significant assumptions and estimates such as expected future economic benefits, estimated margins and discount rates.

How our audit addressed the key audit matter

Our audit procedures, which involved applying materiality and sampling techniques, included the following:

- Understanding, evaluating and testing the design and operating effectiveness of the controls in respect of the Company's processes for assessing the recoverable values of intangible assets (including intangible assets under development).
- Testing the capital funding request forms and other documentation to ensure that the projects were appropriately approved by as per the delegated authority matrix.
- Obtaining an understanding of the selected capitalized projects, testing time charged to such projects by tracing back to time sheet data.
- Testing a sample of projects to ensure appropriate capitalisation of qualifying costs.
- Assessing whether sufficient economic benefits are likely to flow from the projects to support the values capitalised.
- Analysing the reasonableness of key management assumptions and estimates used in the impairment analysis (e.g. forecasted revenue, margin percentages, etc.)
- With the involvement of auditor's experts, evaluating the appropriateness of the underlying assumptions such as discount rate and assessing the methodology of impairment workings.

Based on our procedures performed above, we noted the management's assessment of the carrying value of intangible assets (including intangible assets under development), to be reasonable.

Description

Appropriateness of Purchase Price Allocation ("PPA") with respect to acquisition of Saankhya Labs Private Limited ("Saankhya Labs")

(Refer to note 4(b) and 40 to the Consolidated financial statements)

Pursuant to the share purchase agreement and the shareholders' agreement entered into by the Company with Saankhya Labs and its shareholders, the Company acquired a majority stake in Saankhya Labs on July 1, 2022. Further, at various dates thereafter, the Company acquired additional equity shares through secondary purchases and as at March 31, 2023, the Company's shareholding stake in Saankhya Labs is 64.4% for a total consideration of ₹ 283.94 Crore. The Group's management determined that the acquisition qualifies as a business combination in accordance with Ind AS 103 'Business Combinations'.

The Management engaged an independent professional valuer (management's expert) for identification of the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in accordance with Ind AS 38 'Intangible Assets') and liabilities assumed, and for determination of the fair values of the assets acquired for the purpose of allocation of the purchase price to the various assets and liabilities (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The excess of consideration paid over the net assets acquired has been recognised as Goodwill.

We considered this as a key audit matter as the PPA involved significant amounts and assumptions and estimates that were used by the Management and the independent professional valuer in identification of the identifiable assets acquired and liabilities assumed and the determination of the fair values using appropriate valuation methods.

How our audit addressed the key audit matter

Our audit procedures, which involved applying materiality and sampling techniques, included the following:

- Understanding and evaluating the design and testing the operating effectiveness of the controls on accounting for business combinations;
- Reading the share purchase agreement and other documents related to acquisition to obtain an understanding of the transaction and to verify the consideration paid.
- Reading the report issued by the independent professional valuer engaged by the management and conducting enquiries with them to understand the assumptions considered by them.
- Evaluating the competence, capabilities and objectivity of the independent professional valuer engaged by the management for doing the PPA and discussing their scope of work and terms of engagement.
- Assessing the appropriateness and completeness of the identifiable assets as per the PPA performed by an independent professional valuer.
- Assessing the reasonableness of key management assumptions and estimates used (e.g. forecasted revenue, margin percentages, useful life of intangible assets etc.)
- Involving auditor's experts to assess appropriateness of the valuation methodology adopted and reasonableness of the underlying assumptions relating to discount rate used by the management's expert to estimate the fair values of identifiable assets in the PPA;
- Verifying the mathematical accuracy of the calculations including the computation of Goodwill in accordance with Ind AS 103 'Business Combinations'.
- Assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 103.

Based on the above procedures performed, we considered the management's purchase price allocation for the said business combination to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14 (a). We did not audit the financial information of one subsidiary whose financial information reflect total assets of ₹ 3.87 crore and net assets of ₹ 0.97 crore as at March 31, 2023, total revenue of ₹ 2.84 crore, total comprehensive income (comprising of loss and other comprehensive income) of ₹ 0.99 crore (loss) and net cash outflows amounting to ₹ 4.37 crore for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of Section 143(3) of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

(b). We did not audit the financial information of three subsidiaries whose financial information reflect total assets of ₹ 29.37 crore and net assets of ₹ 18.74 crore as at March 31, 2023, total revenue of ₹ 20.50 crore, total comprehensive income (comprising of loss and other comprehensive income) of ₹ 0.36 crore (loss) and net cash inflows amounting to ₹ 1.47 crore for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these three subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls with reference to Consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 29.1 to the consolidated financial statements;

ii. The Group has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. There are no derivative contracts as at March 31, 2022 for which there were material foreseeable losses;

iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India;

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us/ other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 37 (vii) to the consolidated financial statements);

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us/ other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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.(Refer Note 37 (vii) to the consolidated financial statements); and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us/ by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its subsidiary companies have not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

17. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Mohan Danivas S A
Partner
Membership No: 209136
UDIN: 23209136BGXTWO5649

Place: Bengaluru
Date: April 21, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Tejas Networks Limited on the consolidated financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Section 143(3)(i) of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Tejas Networks Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Mohan Danivas S A
Partner
Membership No: 209136
UDIN: 23209136BGXTWO5649

Place: Bengaluru
Date: April 21, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Tejas Networks Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023.

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Saankhya Labs Private Limited	U72200KA2006PTC041339	Subsidiary Company	April 18, 2023	Clause xx

(Also refer Note 34 to the consolidated financial statements)

Clause xx of Saankhya Labs Private Limited of the report on CARO is reproduced below

(a) The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act until the date of our report. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below:

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Sch. VII	Amount transferred to Fund under Sch. VII, within 6 months from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Fund under Sch. VII, after 6 months from end of financial year (till the date of audit report)	Amount not transferred to Fund under Sch. VII, till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
2022-23	2,218,961	2,218,961	-	-	2,218,961

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects, to a special account as specified in sub-section (6) of Section 135 of the Act. However, such transfer was made beyond a period of thirty days from the end of the financial year as stipulated under the said sub-section. Details are as given below:

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred special account u/s 135(6)	Amount transferred to Special Bank Account u/s 135(6), within 30 days from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Special Bank Account u/s 135(6), after a period of 30 days from end of financial year (till the date of audit report)	Amount not transferred to Special Bank Account u/s 135(6), till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
2020-21	1,863,032	1,563,032	-	1,863,032	-
2021-22	1,560,812	1,560,812	-	1,560,812	-

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

Mohan Danivas S A
Partner
Membership No: 209136
UDIN: 23209136BGXTWO5649

Place: Bengaluru
Date: April 21, 2023

Consolidated Balance Sheet

in ₹ crore

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	85.05	40.09
Right-of-use assets	4(a)	44.29	14.56
Goodwill	4(b)	211.81	-
Intangible assets	4(b)	305.67	83.20
Intangible assets under development	4(b)	153.58	39.61
Financial assets			
(i) Investments	5(a)	0.00	0.00
(ii) Trade receivables	6	19.10	7.07
(iii) Other financial assets	8	7.04	5.71
Current tax asset (net)	9(a)	31.71	35.63
Deferred tax assets (net)	9(b)	42.09	111.33
Other non-current assets	10	34.37	23.19
Total non - current assets		934.71	360.39
Current assets			
Inventories	11	646.86	278.02
Financial assets			
(i) Investments	5(b)	262.24	401.78
(ii) Trade receivables	6	498.93	285.09
(iii) Cash and cash equivalents	7(i)	85.39	47.56
(iv) Bank balances other than (iii) above	7(ii)	656.42	299.68
(v) Other financial assets	8	337.14	363.16
Other current assets	10	180.34	74.44
Total current assets		2,667.32	1,749.73
Total assets		3,602.03	2,110.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	171.64	117.82
Other equity	13	2,801.32	1,812.43
Total equity		2,972.96	1,930.25
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	14	43.90	11.95
(ii) Other financial liabilities	17	156.68	-
Provisions	15	2.12	0.49
Total non - current liabilities		202.70	12.44
Current liabilities			
Financial liabilities			
(i) Lease liabilities	14	5.92	7.81
(ii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		26.00	11.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		275.02	100.09
(iii) Other financial liabilities	17	67.77	22.48
Provisions	15	12.11	6.92
Other current liabilities	18	39.55	18.65
Total current liabilities		426.37	167.43
Total liabilities		629.07	179.87
Total equity and liabilities		3,602.03	2,110.12

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

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

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2023

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

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)

Venkatesh Gadiyar
Chief Financial Officer

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

Consolidated Statement of Profit and Loss

in ₹ crore except equity share and per equity share data

	Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
I	Revenue from operations	19	919.57	550.59
II	Other Income	20	81.01	43.30
III	Total income (I + II)		1,000.58	593.89
IV	Expenses			
	Cost of materials consumed	21A	533.87	290.74
	Purchases of stock in trade	21C	31.82	23.69
	Changes in inventories of stock in trade/work in progress	21B	(4.99)	(3.65)
	Employee benefit expense	22	232.65	134.43
	Finance costs	23A	15.20	3.19
	Depreciation and amortization expense	4(c)	122.50	76.78
	Allowance for expected credit loss	23B	(32.97)	87.76
	Other expenses	24	145.15	98.08
	Total expenses (IV)		1,043.23	711.02
V	Profit/(Loss) before tax (III - IV)		(42.65)	(117.13)
VI	Income tax expense	25		
	Current tax		(0.32)	0.19
	Deferred tax expense/(benefit)		(5.92)	(54.61)
	Total tax expense (VI)		(6.24)	(54.42)
VII	Profit/(Loss) after tax (V - VI)		(36.41)	(62.71)
VIII	Other comprehensive income/(loss)			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit obligation		(3.29)	(2.08)
	Income tax relating to above		0.14	-
	Items that will be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		0.73	0.89
	Other comprehensive income/(loss) for the year, net of tax (VIII)		(2.42)	(1.19)
IX	Total comprehensive income/(loss) for the year (VII + VIII)		(38.83)	(63.90)
X	Earnings/(Loss) per equity share (Refer Note No. 29.6)			
	Equity shares of par value ₹ 10 each			
	Basic		(2.46)	(5.97)
	Diluted		(2.46)	(5.97)
	Weighted average equity shares used in computing earnings per equity share			
	Basic		15,36,77,077	10,50,19,617
	Diluted		15,36,77,077	10,50,19,617

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

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

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Partner
Membership no: 209136

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(DIN:03176672)

Venkatesh Gadiyar
Chief Financial Officer

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

Place: Bengaluru
Date: April 21, 2023

Consolidated Statement of Changes in Equity

A. Equity share capital

in ₹ crore

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 ₹ 3.27

B. Other equity

in ₹ crore

Particulars	Notes	Reserves and Surplus			Money received against share warrants	Exchange differences on translating the financial statements of a foreign operation	Total
		Securities premium	Employee stock compensation outstanding account	Retained earnings			
Balance as at April 01, 2021		951.27	33.12	52.28	-	1.02	1,037.69
(Loss)/Profit for the year	13	-	-	(62.71)	-	-	(62.71)
Other comprehensive (loss)/income (Remeasurement of defined benefit obligation net of income tax)	13	-	-	(2.08)	-	-	(2.08)
Other comprehensive income /(loss) (Exchange differences on translation of foreign operations)	13	-	-	-	-	0.89	0.89
Total comprehensive (loss)/income for the year		-	-	(64.79)	-	0.89	(63.90)
Transaction with owners in their capacity as owners:							
Premium received on exercise of ESOP	13	9.51	-	-	-	-	9.51
Premium received on Issue of shares through Private placement	13	480.62	-	-	-	-	480.62
Private Placement Shares issue expense	13	(0.19)	-	-	-	-	(0.19)
Employee share based payment expenses	22	-	11.20	-	-	-	11.20
Reclassification upon exercise of ESOP/RSU	13	15.03	(15.03)	-	-	-	-
Money received against share warrants		-	-	-	337.50	-	337.50
Balance as at March 31, 2022		1,456.24	29.29	(12.51)	337.50	1.91	1,812.43
Balance as at April 1, 2022		1,456.24	29.29	(12.51)	337.50	1.91	1,812.43
(Loss)/Profit for the year	13	-	-	(36.41)	-	-	(36.41)
Other comprehensive (loss)/income (Remeasurement of defined benefit obligation net of income tax)	13	-	-	(3.15)	-	-	(3.15)
Other comprehensive (loss)/income (Exchange differences on translation of foreign operations)	13	-	-	-	-	1.02	1.02
Total comprehensive (loss)/income for the year		-	-	(39.56)	-	1.02	(38.54)
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	-	59.92	-	-	-	59.92
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	77.12	(52.07)	-	2.93	2,801.32

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

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

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2023

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

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Non-Executive Chairman
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COO and Whole Time Director
(DIN:03176672)

Venkatesh Gadiyar
Chief Financial Officer

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

Consolidated Statement of Cash Flows

in ₹ crore

Particulars	Notes	Year Ended March 31,	
		2023	2022
Cash flows from operating activities			
Profit/(Loss) before tax for the year		(42.65)	(117.13)
Adjustments to reconcile net profit/(loss) to net cash generated from operating activities:			
Depreciation and amortization expense	4(c)	122.50	76.78
Allowance for expected credit loss	23B	(32.97)	87.76
Interest Income	20	(58.56)	(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	15.20	3.19
Unrealized Exchange Difference on cash held in foreign currencies		(0.56)	0.22
Unrealised Exchange Differences (Net)		(0.30)	(0.16)
Loss/ (profit) on sale of property, plant and equipment	20	(0.01)	(0.01)
Expense recognized in respect of equity-settled share-based payments	22	59.92	11.20
		43.11	26.04
Movements in working capital:			
(Increase)/decrease in inventories		(354.00)	(64.37)
(Increase)/decrease in trade receivables		(169.06)	35.83
(Increase)/decrease in other financial assets		(22.00)	(7.93)
(Increase)/decrease in other assets		(102.49)	(33.94)
Increase/(decrease) in trade and other payables		177.00	18.79
Increase/(decrease) in provisions		0.51	(0.69)
Increase/(decrease) in other financial liabilities		32.98	(28.94)
Increase/(decrease) in other liabilities		2.52	8.60
Cash used in operations		(391.43)	(46.61)
Income taxes refund		11.29	29.28
Net cash used in operating activities (A)		(380.14)	(17.33)
Cash flows from investing activities			
Expenditure on property, plant and equipment		(46.65)	(30.74)
Expenditure on intangible assets (including under development)		(202.52)	(86.61)
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		359.79	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 net of cash		(240.18)	-
Interest received		52.22	24.16
Net cash used in investing activities (B)		(581.44)	(827.75)

in ₹ crore

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
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 Expenses)		1,012.50	499.81
Proceeds from Issue of Share Warrants		-	337.50
Principal repayment on lease liabilities		(7.45)	(6.24)
Interest payment on lease liabilities		(4.36)	(2.10)
Finance costs paid		(10.67)	(0.98)
Net cash generated from financing activities (C)		998.85	839.43
Net increase/(decrease) in cash and cash equivalents (A+B+C)		37.27	(5.65)
Cash and cash equivalents at the beginning of the year [Refer Note No. 7(i)]		47.56	53.43
Effects of exchange rate changes on the balance of cash held in foreign currencies		0.56	(0.22)
Cash and cash equivalents at the end of the year [Refer Note No. 7(i)]		85.39	47.56

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

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

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2023

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

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Chief Financial Officer

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General Counsel, Chief Compliance Officer and Company Secretary

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

1 Corporate Information

Tejas Networks Limited ('Tejas' or 'the Company' CIN: L72900KA2000PLC026980) is a Wireline, Wireless and SATCOM telecom and data networking products Group that designs, develops and manufactures high-performance and future-ready products for building high-speed communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks. Tejas products are differentiated by a programmable, software-defined hardware architecture that provides flexibility, multi-generation support and a seamless software-enabled network transformation to its customers. Tejas customers include telecommunications service providers, internet service providers, web-scale internet companies, utility companies, defense companies and government entities. The Group also exports its products to overseas territories.

Tejas is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Tejas together with its subsidiaries/ step down subsidiaries (as given below) is hereinafter referred to as the "Group".

Also refer note no. 29.8.

Subsidiaries:

-Tejas Communication Pte. Limited, Singapore

- Saankhya Labs Private Limited

- Tejas Communications (Nigeria) Limited, Nigeria

- Saankhya Strategic Electronics Private Limited

- Saankhya Labs Inc, USA

These consolidated 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 consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Tejas Networks Limited and its subsidiary/ step down subsidiary.

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;

- defined benefit plans - plan assets measured at fair value; and
- share-based payments measured at fair value.

(iii) New and amended standards adopted

The 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 group 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 group's accounting policy already complies with the now mandatory treatment.

(v) Operating cycle

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

2.2 Basis of consolidation

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

The Group combines the financial statements of the parent and its subsidiaries/ step down subsidiaries (Refer Note No. 29.8) line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
Goodwill arising on consolidation is not amortized but is tested for impairment.

2.3 Revenue Recognition:

2.3.1 Sale of manufactured goods and components

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

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

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

2.3.2 Rendering of Service

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

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

Deferred contract costs are incremental costs of obtaining a contract which are recognized as contract assets and amortized over the term of the contract. However, such incremental costs are recognised as expense if the amortisation period of the asset that the entity would have otherwise recognised is one year or less.
The Group presents revenue net of Goods and Services Tax (GST) in its Statement of Profit and loss.

2.4 Property, Plant and Equipment

2.4.1 Measurement

All items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.4.2 Depreciation method, estimated useful lives and residual value

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

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

Leasehold improvements are depreciated over it's 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 group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. Net gains and losses are included in the statement of profit and loss within other income/ other expenses.

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

2.5 Intangible Assets

2.5.1 Software

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

2.5.2 Product development and intangible assets under development

Expenditure pertaining to research activities are charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless:

i) Product's technical and marketing feasibility has been established;

ii) There is likelihood of the product delivering sufficient future economic benefit; and

iii) The availability of adequate technical, financial and other resources to complete and to use or sell the product,

in which case such expenditure is initially recorded as intangible assets under development and is subsequently capitalized when the asset is ready for its intended use. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policy stated for property, plant and equipment (Refer Note No. 2.4)
Capitalized product development costs are recorded as intangible assets and amortised from the point at which the asset is ready for its intended use for a period of two years.

2.5.3 Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

2.5.4 Technical Know-how

Technical know-how acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life of thirteen years and are subsequently carried at cost less accumulated amortisation and impairment losses.

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

2.6 Impairment of Non - financial assets

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

2.7 Financial instruments

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

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

2.8 Investments and Other Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

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

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

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

2.8.2 Recognition

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

2.8.3 Subsequent Measurement

Debt instruments

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

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

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

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

Equity instruments

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

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

2.8.4 Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.
For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables.

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

2.8.5 Derecognition

A financial asset is derecognized only when

- the Group has transferred the rights to receive cash flows from the financial asset or

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

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

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

2.8.6 Income recognition

Interest Income

Interest income from a financial asset at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using effective interest method and is recognised in statement of profit and loss as part of other income.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

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

2.9 Financial liabilities

2.9.1 Classification as debt or equity

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

2.9.2 Subsequent Measurement

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

2.9.3 Derecognition

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

2.10 Trade Payables

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

2.11 Derivatives

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

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

2.12 Provisions and Contingencies

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

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

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

Provision for warranty

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

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

2.13 Foreign Currency Transactions

(i) Functional and presentation currency

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

The functional currency of Tejas (parent Company), Saankhya Labs Private Limited and Saankhya Strategic Electronics Private Limitied (SSE) is INR. The functional currency for Tejas Communications Pte Limited, Singapore and Saankhya Inc. is USD. The functional currency for Tejas Communications (Nigeria) Limited is Naira.

(ii) Transactions and translations

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

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

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

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

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

2.14 Earnings per equity share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
- potentially issuable equity shares, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share when they are anti dilutive for the period presented.

2.15 Income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group 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 Group 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 Group will pay normal income tax during the specified period. Similarly the deferred tax asset relating to MAT credit is adjusted upwards if the previously unrecognised MAT credit is considered recoverable due to higher anticipated future taxable profit.

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

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

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

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

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

2.16 Employee Benefits

(i) Short-term employee benefits

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Gratuity obligations (Defined Benefit Plan)

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

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

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

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

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

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

(iv) Defined contribution plans

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

(v) Share-based payments

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

The Group has constituted the following plans - 'Tejas Employee Stock Option Plan 2014', 'Tejas Employee Stock Option Plan 2014 - A', 'Tejas Employees Stock Option Plan 2016', 'Tejas Restricted Stock Unit Plan 2017' ("RSU – 2017"), 'Tejas Restricted Stock Unit Plan 2022' ("RSU – 2022"), 'Saankhya Employee Stock Option Plan 2008' and 'Saankhya Employee Stock Option Plan 2012' for the benefit of eligible employees.

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

a) including any market performance conditions

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

c) including the impact of any non-vesting conditions

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

2.17 Cash Flow Statement

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

2.18 Segment Reporting

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

2.19 Leases

As a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
a) fixed payments
b) amount expected to be payable by the group under residual value guarantees
c) the exercise price of a purchase option if it is reasonably certain that the Group will exercise that option
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally, the case for lessees in the group, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
To determine the incremental borrowing rate, the Group:
a) where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
c) makes adjustments specific to the lease, e.g. term, country, currency and security.
Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payment occurs.
Right of use assets are measured at cost comprising the following:
a) the amount of the initial measurement of lease liability
b) any lease payments made at or before the commencement date,
c) any initial direct costs, and
d) restoration cost
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases where the lease term is 12 months or less.

2.20 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.
Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognised in the Statement of profit and loss over the useful life of the related depreciable asset by way of reduced depreciation charge.
The export incentives from the Government are recognized at their fair value where there is a reasonable assurance that the incentive will be received and the Group will comply with all attached conditions.

2.21 Inventories

Inventories (raw material - components including assemblies and sub assemblies, working in progress, finished goods and traded goods) are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.22 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group'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 group 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 Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

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

Invoicing in excess of earnings are classified as contract liabilities which is disclosed as deferred revenue.
Trade receivables and unbilled revenue are presented net of impairment in the Balance Sheet.

2.23 Cash and cash equivalents

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

2.24 Borrowings

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

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

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

2.25 Borrowing Cost

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

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

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

2.26 Contributed Equity

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

2.27 Dividends

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

2.28 Exceptional Items

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

2.29 Rounding of amounts

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

3 Critical estimates and judgements

The preparation of consolidated financials statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financials statements.

The areas involving critical estimates and judgments are:

(i) Product Development costs (capitalisation of product development cost including intangibles under development), assessment of their carrying value and related estimate of their useful life - [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) Recoverability of deferred tax assets on tax losses and MAT credit - Refer Note No. 9(b)

(v) Evaluation of tax litigations - Refer Note No. 29.1

(vi) Purchase price allocation on account of business acquisition - Refer Note No. 40

(vii) Government grant - Refer Note No. 42

(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 Group and that are believed to be reasonable under the circumstances.

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

in ₹ crore

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
On account of acquisition of subsidiary (Refer Note No. 40)	4.99	-	0.16	0.20	0.22	1.28	-	-	-	6.85	6.55
Additions	29.45	2.50	2.14	1.85	1.15	6.03	-	15.54	5.69	64.35	35.93
Deletions	-	-	-	-	-	0.06	-	-	-	0.06	6.18
Gross carrying value as of March 31, 2023	67.89	4.18	9.86	11.79	3.71	18.90	0.14	65.69	11.40	193.56	65.09
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	(8.46)	(0.70)	(0.60)	(1.94)	(0.71)	(3.06)	(0.01)	(9.23)	(1.49)	(26.20)	(9.75)
Accumulated depreciation on deletions	-	-	-	-	-	(0.02)	-	-	-	(0.02)	(3.18)
Accumulated depreciation as of March 31, 2023	(29.48)	(1.63)	(7.27)	(9.90)	(2.25)	(11.47)	(0.14)	(41.89)	(4.48)	(108.51)	(20.80)
Carrying value as of March 31, 2023	38.41	2.55	2.59	1.89	1.46	7.43	-	23.80	6.92	85.05	44.29

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

Notes:

(i) The Group had received approval under Modified Special Incentive Package Scheme (MSIPS) from the Ministry of Communication and Information Technology, Department of Information Technology, vide sanction letter no. 27(18)/2013-IPHW dated December 05, 2014. Under the said scheme, the Group as on March 31, 2023, has submitted claims aggregating to ₹ 8.98 (March 31, 2022 - ₹ 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 Group.

Note No. 4(b): Intangible Assets

in ₹ crore

Particulars	Goodwill	Other intangible assets					Intangible Assets under development (IAUD)[1]
		Computer Software	Product Development	Patent	Technical Knowhow	Total	
Gross carrying value as of April 1, 2021	-	21.94	279.50	-	-	301.44	24.49
Additions	-	6.98	64.51	-	-	71.49	79.63
Transfers	-	-	-	-	-	-	64.51
Gross carrying value as of March 31, 2022	-	28.92	344.01	-	-	372.93	39.61
Accumulated amortization as of April 1, 2021	-	(20.96)	(215.05)	-	-	(236.01)	-
Amortization expenses for the year	-	(4.26)	(49.46)	-	-	(53.72)	-
Accumulated amortization as of March 31, 2022	-	(25.22)	(264.51)	-	-	(289.73)	-
Carrying value as of March 31, 2022	-	3.70	79.50	-	-	83.20	39.61
Gross carrying value as of April 1, 2022	-	28.92	344.01	-	-	372.93	39.61
On account of acquisition of subsidiary (Refer Note No. 40)	-	0.06	-	-	220.47	220.53	-
Additions	211.81	11.81	76.59	0.09	-	88.49	190.56
Transfers	-	-	-	-	-	-	76.59
Gross carrying value as of March 31, 2023	211.81	40.79	420.60	0.09	220.47	681.95	153.58
Accumulated amortization as of April 1, 2022	-	(25.22)	(264.51)	-	-	(289.73)	-
Amortization expenses for the year	-	(6.58)	(67.20)	(0.09)	(12.68)	(86.55)	-
Accumulated amortization as of March 31, 2023	-	(31.80)	(331.71)	(0.09)	(12.68)	(376.28)	-
Carrying value as of March 31, 2023	211.81	8.99	88.89	-	207.79	305.67	153.58

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

Notes:

1.Additions to Intangible Assets under development includes capitalization of employee benefit expense and other eligible expenses (Refer Note No. 22 and Note No. 24).

2.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 72% (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.

Sensitivity Analysis

3. As at March 31, 2023, the net carrying amount of product development is ₹ 88.89 (March 31, 2022 – ₹ 79.50). The Group estimates the useful life of product development to be 2 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 2 years, depending on technical innovations and competitor actions. If it were only 1 year, the carrying amount would be ₹ 53.02 as at March 31, 2023 (₹ 48.17 as at March 31, 2022). If the useful life were estimated to be 3 years, the carrying amount would be ₹ 121.74 as at March 31, 2023 (₹ 102.04 as at March 31, 2022).

(a) Intangible assets under development ageing schedule

As at March 31, 2023

in ₹ crore

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	101.54	52.04	-	-	153.58
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022 — in ₹ crore

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	-	-	-	-	-

b) For Intangible assets under development, whose completion is overdue as compared to its original plan and 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 — in ₹ crore

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 — in ₹ crore

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 expenses

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Depreciation on property, plant and equipment [Refer Note No. 4(a)]	26.20	16.93
Depreciation on right of use assets [Refer Note No. 4(a)]	9.75	6.13
Amortization of intangible assets [Refer Note No. 4(b)]	86.55	53.72
Total depreciation and amortization expense	122.50	76.78

Note No. 5: Investments

in ₹ crore

Particulars	As at	
	March 31, 2023	March 31, 2022
5(a) Other Investments (Unquoted) {FVTPL}		
Equity instruments		
Investment in ELCIA ESDM Cluster (No. of shares 1100) (Refer Note No. 36)	0.00	0.00
Total unquoted investments	0.00	0.00

5(b) Current investments (Quoted) {FVTPL}

Investment in Mutual funds	Number of units	Amount	Number of units	Amount
Aditya Birla Sun Life Liquid Fund - Growth Direct Plan	-	-	3,50,686	12.03
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		0.00		0.00
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		-		-

Note No. 6: Trade Receivables

in ₹ crore

Particulars	As at	
	March 31, 2023	March 31, 2022
Trade receivables from contract with customers - billed	570.68	400.68
Trade receivables from contract with customers - unbilled	21.74	9.62
Trade receivables from contract with customers - related parties (Refer Note No. 29.9)	30.87	19.80
Less: Loss allowance (Refer Note No. 27A)	(105.26)	(137.94)
Trade Receivables	518.03	292.16
Current portion	498.93	285.09
Non-current portion	19.10	7.07
Break-up of securities details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	622.91	430.10
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.38	-
Total	623.29	430.10
Loss allowance	(105.26)	(137.94)
Total trade receivables	518.03	292.16

Ageing as at March 31, 2023

Non-current

in ₹ crore

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

in ₹ crore

Particulars	Unbilled Receivable	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	21.84	331.14	103.05	27.69	41.49	31.23	47.10	603.54
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.38	-	-	-	0.38
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	21.84	331.14	103.05	28.07	41.49	31.23	47.10	603.92

Ageing as at March 31, 2022

Non-current

in ₹ crore

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

Current

in ₹ crore

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

Note No. 7: Cash and Bank Balances

in ₹ crore

Particulars	As at	
	March 31, 2023	March 31, 2022
(i) Cash and Cash Equivalents		
(a) Balances with banks		
(i) In current accounts	64.20	32.26
(ii) In EEFC accounts	21.18	15.30
(b) Cash in hand	0.01	-
Total cash and cash equivalents	85.39	47.56
(ii) Other Bank Balances		
Balances with banks in unpaid dividend account	0.03	0.03
Deposits with original maturity of more than three months but less than twelve months	654.43	296.77
In earmarked deposit accounts	0.07	-
Balances held as margin money or security against fund and non-fund based banking arrangements	1.89	2.88
Total other bank balances	656.42	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:

in ₹ crore

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
HDFC Bank	1.63	-
Indian Overseas Bank	0.08	-
ICICI Bank	0.36	0.00
Kotak Mahindra Bank	0.36	13.78
Silicon Valley Bank, California	0.12	-
Standard Chartered Bank	55.83	14.18
Standard Chartered Bank, Nairobi	0.18	0.27
Standard Chartered Bank, Singapore	3.39	1.88
Standard Chartered Bank, Kuala Lampur	0.10	0.11
Standard Chartered Bank, South Africa	0.14	0.07
State Bank of India	0.11	0.01
	64.20	32.26
b) EEFC Accounts		
Citibank	0.77	0.45
State Bank of India	0.29	-
HDFC Bank	0.22	-
Standard Chartered Bank	19.90	14.85
	21.18	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
HDFC Bank	0.29	-
Citibank	-	0.44
ICICI Bank	4.00	-
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
	654.43	296.77
e) Balances held as earmarked deposit accounts		
HDFC Bank	0.07	-
	0.07	-

f) Balances held as margin money or security against fund and non-fund based banking arrangements for less than twelve months		
Axis Bank	0.45	0.45
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)	85.38	47.56
Cash in hand	0.01	-
Total other bank balances with maturity more than three months but less than twelve months (c+d+e+f)	656.42	299.68

g) Deposits with remaining maturity of more than twelve months (Refer Note 8)		
Citibank	-	0.22
	-	0.22
h) Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months (Refer Note 8)		
ICICI Bank	2.31	-
Citibank	-	1.15
	2.31	1.15
i) 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

Note No. 8: Other Financial Assets

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current financial assets		
Security deposits	7.13	5.58
Less: Provision	(0.09)	(0.09)
	7.04	5.49
Deposits with remaining maturity of more than twelve months		
(i) In deposit accounts	-	0.22
Total non-current financial assets	7.04	5.71
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	4.12	0.96
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	2.31	1.15
Foreign exchange forward contracts	0.02	0.60
Other receivables	30.02	8.05
Total current financial assets	337.14	363.16

Note No. 9: Tax assets

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
9(a) Current Tax Asset (net)		
Advance Income Tax (net)	31.71	35.63
	31.71	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)	(123.56)	16.71
Lease liabilities	17.32	6.90
Unabsorbed depreciation and allowances under section 35	119.59	48.67
MAT credit	44.14	44.14
Total deferred tax assets	57.49	116.42
Right-of-use assets	(15.40)	(5.09)
Net deferred tax assets	42.09	111.33

Movements in deferred tax assets

in ₹ crore

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					
- On account of acquisition of subsidiary*	(73.42)	(1.74)	-	-	(75.16)
- to statement of profit and loss	(66.85)	1.85	70.92	-	5.92
As at March 31, 2023	(123.56)	1.92	119.59	44.14	42.09

* Includes ₹ 77.04 towards deferred tax recognised on the intangible assets acquired (Refer Note No. 40)

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

Note No. 10: Other assets

in ₹ crore

Particulars	As at March 31, 2023	As at 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)	25.26	15.60
Total other non-current assets	34.37	23.19
Other current assets		
Advances to suppliers	59.88	32.57
Capital Advances	0.17	-
Advances others	0.02	0.03
Balances with government authorities (other than income taxes)	113.06	38.90
Prepaid expenses	5.80	2.82
Advances to employees	1.41	0.12
Total other current assets	180.34	74.44

Note No. 11: Inventories

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material - components including assemblies and sub-assemblies [including goods in transit ₹ 13.54 (March 31, 2022: ₹ 0.28)]	635.18	274.37
Work-in-progress	6.19	-
Traded Goods	5.49	3.65
Total Inventories*	646.86	278.02

*Net of write down of inventories amounting to ₹ 8.74 (March 31, 2022 ₹ 7.68) and net of provision amounting to ₹ 6.37 (March 31, 2022 ₹ NIL).

Note No. 12: Equity Share Capital

in ₹ crore except for share data or as otherwise stated

Particulars	Number of Shares	Equity share capital
i) Authorised Capital		
Equity Share Capital of ₹ 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 ₹ 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(viii))	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(viii))	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

Particulars	As at March 31, 2023	As at 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 ₹ 10/-. They entitle the holder to participate in dividends declared if any, and to share in the proceeds upon winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

- 1,93,79,845 equity shares, having face value of ₹ 10/- each, at a price of ₹ 258 per Equity Share, aggregating to ₹ 500 crore ("Subscription Shares");
- 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of ₹ 258 per equity share aggregating to ₹ 950 crore ("Series A Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants ("Series A Warrants"); and

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

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

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

In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest Limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at ₹ 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.
During the quarter ended June 30,2022, Panatone Finvest Limited exercised the right attached to the Series A Warrants and subscribed to the equity shares by remitting the balance 75% of the Exercise Price of Series A Warrant amounting to ₹ 712.50 crore. On April 8, 2022, the Company allotted 3,68,21,706 equity shares upon exercise of warrants.
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 ₹ 300 crore. On February 6, 2023, the Company allotted 1,55,03,876 equity shares upon exercise of such warrants.

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

Particulars	As at March 31, 2023	As at 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.

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	As at 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	As at 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:

in No's

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares of ₹ 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.

Note No. 13: Other Equity

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	2,773.34	1,456.24
Retained earnings	(52.07)	(12.51)
Employee stock compensation outstanding account	77.12	29.29
Money received against share warrants	-	337.50
Foreign Currency Translation Reserve	2.93	1.91
Total Other Equity	2,801.32	1,812.43

(i) Securities premium

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	(12.51)	52.28
Loss for the year	(36.41)	(62.71)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of defined benefit obligation net of income tax	(3.15)	(2.08)
Closing Balance	(52.07)	(12.51)

(iii) Employee stock compensation outstanding account

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	29.29	33.12
Share based payment expenses	59.92	11.20
Reclassification upon exercise of ESOP/RSU	(12.09)	(15.03)
Closing Balance	77.12	29.29

(iv) Foreign Currency Translation Reserve

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1.91	1.02
Transaction during the year	1.02	0.89
Closing Balance	2.93	1.91

(v) Money received against share warrants

in ₹ crore

Particulars	As at March 31, 2023	As at 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 Group's share based payment schemes over the vesting period.

(c) Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of financial statements of foreign operations.

Note No. 14: Lease Liabilities

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Lease Liabilities	43.90	11.95
Total non-current	43.90	11.95
Current		
Lease Liabilities	5.92	7.81
Total current	5.92	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	4.79
Repayment of interest and principal	(12.24)
On account of acquisition of subsidiary	7.00
Derecognition of lease liability	(3.45)
Debt as on March 31, 2023	49.82

Note No. 15: Provisions

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current provisions		
Provision for employee benefits		
Gratuity (Refer Note No. 22)	0.09	-
Other provisions		
Warranty	2.03	0.49
Total non-current provisions	2.12	0.49
Current provisions		
Provision for employee benefits		
Compensated absences (Refer Note No. 22)	9.57	5.47
Gratuity (Refer Note No. 22)	0.20	-
Other provisions		
Warranty	2.34	1.45
Total current provisions	12.11	6.92

Movement in Warranty

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

in ₹ crore

Particulars	As at March 31, 2023	As at 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

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (MSME) (Refer Note No. 29.2)	26.00	11.48
Total outstanding dues of creditors other than micro and small enterprises - related parties (Refer Note No. 29.9)	0.88	1.65
Total outstanding dues of creditors other than micro and small enterprises - others	274.14	98.44
Total trade payables	301.02	111.57

Ageing as at March 31, 2023

in ₹ crore

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.06	15.39	8.50	-	-	-	23.95
(ii) Others	23.68	201.63	37.72	0.31	2.27	9.41	275.02
(iii) Disputed dues – MSME	-	-	-	0.09	0.28	1.68	2.05
(iv) Disputed dues - Other creditors	-	-	-	-	-	-	-
Total	23.74	217.02	46.22	0.40	2.55	11.09	301.02

Ageing as at March 31, 2022

in ₹ crore

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.43	-	-	-	-	9.43
(ii) Others	19.92	60.44	8.08	2.24	0.12	9.29	100.09
(iii) Disputed dues – MSME	-	-	0.09	0.28	0.98	0.70	2.05
(iv) Disputed dues - Other creditors	-	-	-	-	-	-	-
Total	19.92	69.87	8.17	2.52	1.10	9.99	111.57

Note No. 17: Other Financial Liabilities

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Merger Liability (Refer Note No. 40(c))*	156.68	-
Total Non-Current other financial liabilities	156.68	-
Current		
Due to employees	50.02	17.72
Capital Creditors	17.57	4.59
Unpaid dividend	0.03	0.03
Other liabilities	0.15	0.14
Total current other financial liabilities	67.77	22.48

*Includes an amount of ₹ 9.23 pertaining to interest cost recongnised

Note No. 18: Other Current Liabilities

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Advances received from customers	7.05	7.02
Advances received from customers - related parties (Refer note no. 29.9)	7.66	-
Deferred revenue	13.07	3.30
Liabilities on Corporate Social Responsibility	0.30	-
Statutory dues	11.47	8.33
Total other current liabilities	39.55	18.65

Note No. 19: Revenue from Operations

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from contract with customers (Refer Note No. 29.4)		
Sale of goods		
Manufactured goods - Telecom and Data Networking related products	803.22	469.35
Traded Goods	3.34	10.14
	806.56	479.49
Rendering of services - related to selling/support of our products		
Installation and commissioning revenue	8.42	16.97
Annual maintenance revenue	52.77	49.02
Rendering of services - development of products for customers and other services	51.82	5.11
	113.01	71.10
Total revenue from operations	919.57	550.59

Note No. 20: Other Income

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest income from banks on deposits	54.94	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	0.71	0.16
Gain on Derecognition of ROU Asset	0.45	-
Net gain on foreign currency transactions and translation	0.48	3.13
Export Incentive	1.97	2.54
Other non-operating income		
Bad debts recovered	-	1.06
Profit on sale of property, plant and equipment	0.01	0.01
Interest on income tax refunds	2.91	2.49
Miscellaneous income	0.08	0.75
Total other income	81.01	43.30

Note No. 21A: Cost of Materials Consumed

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening stock	274.37	213.65
Add: Purchases	894.68	351.46
	1,169.05	565.11
Less: Closing stock	635.18	274.37
Cost of materials consumed*	533.87	290.74

*including write down of inventories.

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

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening balance		
Work-in-progress	3.04	-
Traded goods	3.65	-
Total opening balance	6.69	-
Closing balance		
Work-in-progress	6.19	-
Traded goods	5.49	3.65
Total closing balance	11.68	3.65
Changes in inventories of work in progress and stock in trade	(4.99)	(3.65)

Note No. 21C: Purchase of stock in trade

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Purchase of stock in trade	31.82	23.69

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

Note No. 22: Employee Benefit Expense

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Salaries and wages, including performance incentives	311.69	184.96
Contribution to provident and pension funds [Refer (i) below]	12.43	8.39
Gratuity expenses [Refer (iii) below]	3.86	2.51
Employee share based payment expenses (net) [Refer Note No. 30 (x)]	59.92	11.20
Staff welfare expenses	6.56	7.00
	394.46	214.06
Less: Capitalized during the year [Refer Note No. 4(b)]	161.81	79.63
Total employee benefit expenses	232.65	134.43

Employee benefit plans

(i). Defined contribution plan

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

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Provident Fund Contributions	11.18	7.49
Employee Pension Scheme	1.25	0.90
Total	12.43	8.39

(ii). Compensated absence

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

The amount of the provision of ₹ 9.57 (March 31, 2022 – ₹ 5.47) is presented as current, since the Group does not have an unconditional right to defer settlement for a period beyond 12 months. However, based on past experience, the Group does not expect all the employees to avail leave accrued to their credit or require payment within the next 12 months.

in ₹ crore

Particulars	As at	
	March 31, 2023	March 31, 2022
Leave obligation not expected to be settled within the next 12 months	7.59	4.07

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

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Compensated absence expense/ (gain) included in salaries and wages	2.95	1.40
Actuarial assumptions for long-term compensated absences		
Discount rate	7.54% - 7.66%	7.49%
Salary escalation	6.50% - 15.00%	6.50%
Attrition	7.00% - 15.00%	7.00%

(iii). Defined Benefit Plans

(a) Gratuity

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

Particulars	Year Ended March 31,	
	2023	2022
Actuarial assumptions for defined benefit plan		
Discount rate	7.54% - 7.66%	7.49%
Salary escalation	6.50% - 15.00%	6.50%
Attrition rate	7.00% - 15.00%	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:

in ₹ crore

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
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.84)	-	(0.84)

Actuarial (Gain)/ Losses due to experience adjustments on DBO	2.04	-	2.04
Return on Plan Assets (Greater) / Lesser than Discount rate	-	0.88	0.88
Total amount recognised in other comprehensive income	1.20	0.88	2.08
Employer contributions/ premiums paid	-	(4.50)	(4.50)
Benefit payments	(1.58)	1.58	-
As at March 31, 2022 (Refer Note No. 10)	23.55	(23.78)	(0.23)
Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
As at April 1, 2022	23.55	(23.78)	(0.23)
On account of acquisition of subsidiary	-	0.95	0.95
Current service cost	4.23	-	4.23
Interest expense/(income)	1.90	(2.27)	(0.37)
Total amount recognised under employee benefit expenses	6.13	(2.27)	3.86
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	0.35	0.01	0.36
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.49)	-	(0.49)
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	2.13	1.16	3.29
Employer contributions/ premiums paid	-	(7.88)	(7.88)
Cost of acquisitions	2.69	(2.69)	-
Benefit payments	(4.51)	4.51	-
As at March 31, 2023 (Refer Note No. 10 and Note No. 15)	29.99	(30.00)	(0.01)

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

Composition of the plan assets is as follows:

Particulars	As At March 31,	
	2023	2022
Insurer managed funds	100%	100%

c) Risk Exposure

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

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans (Gratuity) for the year ending March 31, 2024 are ₹ 4.96

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:

in ₹ crore

Particulars	As at March 31,	
	2023	2022
Year 1	2.46	1.39
Year 2	2.42	1.67
Year 3	2.89	1.99
Year 4	1.47	2.41
Year 5	1.68	1.00
Year 6-10	13.20	9.38
Year 10 and above	64.05	38.06

Note No. 23A: Finance Cost

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Interest expense		
(i) Unwinding of discount on fair valuation of financial liabilities	14.03	2.10
(ii) Unwinding of discount on fair valuation of warranty	0.16	0.11
Other finance cost	1.01	0.98
Total finance cost	15.20	3.19

Note No. 23B: Allowance for expected credit loss

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Allowance for expected credit loss	(32.97)	87.76
Total Allowance for expected credit loss	(32.97)	87.76

Note No. 24: Other Expenses

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Installation, commissioning and maintenance expenses	11.55	12.63
Other processing charges	4.40	1.19
Power and fuel	5.82	5.09
Housekeeping and security	4.20	2.55
Lease rentals	4.97	1.80
Repairs and maintenance - machinery	0.47	0.43
Repairs and maintenance - others	4.08	2.73
Sub-contractor charges	13.90	10.19
Cost of technical services	33.72	7.94
Insurance	1.92	1.28
Rates and taxes	3.46	5.60
Communication	1.58	1.04
Royalty	0.03	0.16
Travelling and conveyance	12.04	4.00
Printing and stationery	0.34	0.19
Freight and forwarding	3.88	10.24
Sales expenses	0.55	0.04
Sales commission	4.11	7.23
Business promotion	3.07	1.01
Director sitting fees (Refer Note No. 29.9)	0.33	0.30
Director commission (Refer Note No. 29.9)	0.48	0.48
Legal and professional	16.78	12.76
Auditors remuneration and out-of-pocket expenses		
Audit Fee (including fees for limited reviews)	0.83	0.63
Tax Audit Fee	0.04	0.03
Certification matters	0.03	0.09
Other services	0.20	-
Auditors out-of-pocket expenses	0.09	0.01
Net loss on foreign currency transactions and translation	2.89	-
Warranty	8.93	3.76
Expenditure on corporate social responsibility	0.22	0.46
Subscription and Membership	7.88	1.44
Miscellaneous expenses	7.11	2.78
Total other expenses	159.90	98.08
Less: Capitalized during the year [Refer Note No. 4(b)]	14.75	-
Total other expenses	145.15	98.08

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

Note No. 25: Income Tax Expense

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
a. Current tax		
Tax on (losses)/profits for the year	(0.01)	-
Adjustments for tax of prior periods	(0.31)	0.19
Total current tax expense	(0.32)	0.19
b. Deferred tax		
Decrease/(increase) in deferred tax assets	(4.04)	(54.61)
(Decrease)/increase in deferred tax liabilities	(1.88)	-
Total deferred tax (benefit)/expense	(5.92)	(54.61)
Total Income tax benefit	(6.24)	(54.42)

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

in ₹ crore

Particulars	Year Ended March 31,	
	2023	2022
Loss before income tax expense	(42.65)	(117.13)
Tax credit determined based on the statutory tax rate [i.e.34.944% (March 31, 2022: 34.944%)]	(14.90)	(40.93)
Reconciling items:		
Expenses disallowed for tax purposes	3.53	1.87
Mark-to-market loss/(gain) on mutual fund investments not considered for tax purposes	-	(0.13)
Adjustments for tax of prior periods	(0.31)	0.19
Remeasurement gains/(losses) recognised in OCI	(1.02)	-
On account of different tax rates of subsidiaries	1.61	-
Previously unrecognised DTA created during the current year	4.96	(14.73)
Others	(0.11)	(0.69)
Income Tax benefit	(6.24)	(54.42)

Note No. 26: Fair Value Measurement

(i) Financial instruments by category

in ₹ crore

Particulars	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	-	518.03	-	292.16
Cash and cash equivalents		-	85.39	-	47.56
Bank balances other than cash and cash equivalents		-	656.42	-	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		-	2.31	-	1.15
- Security deposits	3	-	7.71	-	6.10
- Deposits with financial institutions		-	300.00	-	351.79
- Interest accrued but not due	3	-	4.12	-	0.96
- Other receivables	3	-	30.02	-	8.05
- Foreign Exchange Forward Contracts	2	0.02	-	0.60	-
Total Financial Assets		262.26	1,604.00	402.38	1,007.67
Financial liabilities					
Lease liabilities	3	-	49.82	-	19.76
Trade payables	3	-	301.02	-	111.57
Other financial liabilities					
- Merger Liability	3	-	156.68	-	-
- Capital Creditors		-	17.57	-	4.59
- Due to employees		-	50.02	-	17.72
- Unpaid dividend		-	0.03	-	0.03
- Other liabilities		-	0.15	-	0.14
Total Financial liabilities		-	575.29	-	153.81

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

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

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

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

- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note No. 27: Financial risk management

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

A. Credit Risk

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

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

in ₹ crore

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	372.34	103.05	28.08	41.49	31.23	47.10	623.29
Expected loss rate	1%	5%	21%	54%	98%	80%	
Expected credit losses - trade receivables	3.51	5.22	5.96	22.34	30.50	37.73	105.26
Carrying amount of trade receivables (net of ECL)	368.83	97.83	22.12	19.15	0.73	9.37	518.03

in ₹ crore

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	171.88	75.88	46.23	59.10	35.91	41.10	430.10
Expected loss rate	1%	6%	34%	83%	96%	78%	
Expected credit losses - trade receivables	1.85	4.53	15.75	49.31	34.43	32.07	137.94
Carrying amount of trade receivables (net of ECL)	170.03	71.35	30.48	9.79	1.48	9.03	292.16

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

in ₹ crore

Loss allowance as on April 01, 2021	(50.06)
Changes in loss allowance	(87.88)
Loss allowance as on April 01, 2022	(137.94)
Forex movement	(0.29)
Changes in loss allowance	32.97
Loss allowance as on March 31, 2023	(105.26)

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

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

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

(iii) Sensitivity Analysis

The sensitivity of profit or loss to changes in the loss allowance

in ₹ crore

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

(i) Liquid assets

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

in ₹ crore

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash and cash equivalents	85.39	47.56
Other bank balances - deposits with maturity more than 3 months but less than 12 months and margin money	656.42	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	2.31	1.15

Current investments - mutual funds	262.24	401.78
	1,306.36	1,102.18
Less: Balances held as margin money or security against fund and non-fund based banking arrangements	1.89	3.10
Total liquid assets	1,304.47	1,099.08

(ii) Financing arrangements

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

in ₹ crore

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 leases) as the impact of discounting is not significant.

Contractual maturities of financial liabilities- March 31, 2023	Less than 6 months	6months to 1 year	Between 1 and 2 years	More than 2 years	Total
Non-Derivatives					
Trade payables	301.02	-	-	-	301.02
Due to employees	50.02	-	-	-	50.02
Capital Creditors	17.57	-	-	-	17.57
Merger liability	-	-	156.68	-	156.68
Lease Liabilities	5.49	4.91	7.70	55.54	73.64
Unpaid dividend	0.03	-	-	-	0.03
Other liabilities	0.15	-	-	-	0.15
	374.28	4.91	164.38	55.54	599.11

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

(iv) The Group 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 ₹ 2.59 (March 31, 2022: ₹ 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 Group operates internationally and is exposed to foreign exchange risk through its sales and services in foreign countries, and purchases from overseas suppliers in foreign currencies. To mitigate the risk of changes in exchange rates on foreign currency exposures, the Group has a partial natural hedge between export receivables and import payables. Further, during the current year, the Group has entered into forward exchange contracts on export receivables to mitigate the risk of fluctuations in foreign currency rates.The results of the Group's operations are subject to the effects of changes in foreign exchange rates.

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

	March 31, 2023			March 31, 2022		
	USD	MYR*	Others	USD	MYR*	Others
Assets						
Trade receivables	163.48	17.38	0.06	136.09	14.53	0.20
Balance in EEFC account	21.18	-	-	15.30	-	-
Balance with banks outside india	0.89	0.11	4.10	2.90	0.07	2.39
Exposure to foreign currency risk (assets)	185.55	17.49	4.16	154.29	14.60	2.59
Liabilities						
Trade payables	143.85	0.23	0.20	54.84	0.10	0.01
Exposure to foreign currency risk (liabilities)	143.85	0.23	0.20	54.84	0.10	0.01
Net exposure to foreign currency risk	41.70	17.26	3.96	99.45	14.50	2.58

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

	March 31, 2023			March 31, 2022		
	USD	MYR*	Others	USD	MYR*	Others
Assets						
Trade receivables						
- Hedged naturally	28.56	0.23	0.06	54.84	0.10	0.01
- Hedged through forward	-	-	-	57.31	-	-
Balance in EEFC account	-	-	-	-	-	-
Balance with banks outside India	-	-	0.14	-	-	-
Exposure to foreign currency risk (assets)	28.56	0.23	0.20	112.15	0.10	0.01
Liabilities						
Trade payables						
- Hedged naturally	28.56	0.23	0.20	54.84	0.10	0.01
- Hedged through forward	115.29	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	143.85	0.23	0.20	54.84	0.10	0.01

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

	March 31, 2023			March 31, 2022		
	USD	MYR*	Others	USD	MYR*	Others
Assets						
Trade receivables	134.92	17.15	-	23.94	14.43	0.19
Balance in EEFC account	21.18	-	-	15.30	-	-
Balance with banks outside India	0.89	0.11	3.96	2.90	0.07	2.39
Exposure to foreign currency risk (assets)	156.99	17.26	3.96	42.14	14.50	2.58
Liabilities						
Trade payables	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	-	-	-	-	-	-
Net unhedged exposure to foreign currency risk	156.99	17.26	3.96	42.14	14.50	2.58

*MYR stands for Malaysian Ringgit.

(ii) Sensitivity

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

in ₹ crore

Particulars	Impact on profit/(loss) after tax	
	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD - Increase by 5% (March 31, 2022 5%)*	(1.72)	(4.10)
INR/USD - Decrease by 5% (March 31, 2022 5%)*	1.72	4.10
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 Group considers the following components of its balance sheet as capital:
Issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group.

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

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

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

in ₹ crore

Debt equity ratio	March 31, 2023	March 31, 2022
Net Debt*	49.82	19.76
Equity	2,972.96	1,930.25
Net Debt to equity ratio(times)	0.02	0.01

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

Note No. 29: Additional Information to Financial Statements

in ₹ crore

Note	Particulars	As at	
		March 31, 2023	March 31, 2022
29.1 Contingent liabilities and commitments (to the extent not provided for)			
a	Contingent liabilities - Claims against the Group not acknowledged as debts		
	Disputed Central Excise Demands * (Refer Note 1 below)	46.24	46.24
	Disputed CST and VAT Demand *	0.51	5.55
	Disputed Income Tax Demands * (Refer Note 2 and 3 below)	5.26	-
	Disputed GST Demands * (Refer Note 4 below)	5.72	-
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	39.21	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: During FY 2018-19 and 2019-20, the Company received demand orders for ₹ 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 ₹ 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT.

During the current year, the Company has received a demand order for ₹ 3.32 crore for FY 2010-11 to FY 2013-14 on similar matters. The Company is in the process of filing appeals with the concerned authorities.

Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial statements.

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.

Note 3: In case of Saankhya Labs Private Limited, 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 authority and the Company's right for future appeals before judiciary. No reimbursements are expected. Saankhya Labs Private Limited is eligible for tax refund of ₹ 0.46 for the AY 2018-19 and ₹ 1.48 for the AY 2020-21. However, the same was withheld against the above orders.

Note 4: Saankhya Labs Private Limited has made pre-deposit of ₹ 0.34 in the AY 2022-23 against the demand orders received from GST authorities.

29.2 Dues to Micro Small and Medium Enterprises (MSMEs)

The Group 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:

in ₹ crore

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]	26.00	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	-	-

[1]Based on periodic circularisations by the Group and responses received from the suppliers, the Group 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 Group'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 Group's performance as a single business segment and not at any other disaggregated level.

(ii) Geographical information

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
I. Revenues*		
India	702.58	350.84
International#	216.99	199.75
Total	919.57	550.59

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

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
II Total Carrying amount of non current assets, by geographical location		
India*	800.40	177.46
International	-	-

* Includes an amount of ₹ 44.29 (March 31, 2022: ₹ 14.56) being Right of use assets pursuant to adoption of Ind AS 116.

29.4 Revenue from contract with customers

(i) Disaggregation of revenue from contracts with customers

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

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
India-Public Sector Undertaking	241.00	93.35
India-Private	461.58	257.49
International	216.99	199.75
	919.57	550.59

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

in ₹ crore

Particulars	Deferred Revenue	Advances received from customers
Balance as on April 1, 2021	2.07	1.65
Less: Revenue accrued during the year	5.66	1.84
Add: Invoicing in excess of earned revenue during the year	6.89	-
Add: Advances received during the year	-	7.21
Balance as on March 31, 2022	3.30	7.02
Less: Revenue accrued during the year	5.51	8.81
Add: Invoicing in excess of earned revenue during the year	15.28	-
Add: Advances received during the year	-	8.84
Balance as on March 31, 2023	13.07	7.05

(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 ₹ 1,934 crore. Out of this, the Group 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

in ₹ crore

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Contract Price*	919.57	550.59
Less: adjustments	-	-
Revenue from operations	919.57	550.59

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

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:

in ₹ crore

Particulars	As at March 31, 2023	As at March 31, 2022
Right of use Assets		
Buildings	44.29	14.56
Total	44.29	14.56

in ₹ crore

Particulars	As at	
	March 31, 2023	March 31, 2022
Lease Liabilities		
Current	5.92	7.81
Non-Current	43.90	11.95
Total	49.82	19.76

Additions to right-of-use assets during the current financial year is ₹ 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:

in ₹ crore

Particulars	Note	Year ended March 31,	
		2023	2022
Depreciation charge of Right of use Assets			
Buildings	4(c)	9.75	6.13
Total		9.75	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	4.97	1.80
Expenses relating to variable lease payments		-	-
Total		9.33	3.90

*includes maintenance expenses

The total cash outflow for leases for the year ended March 31, 2023 is ₹ 16.86 (March 31, 2022: ₹ 10.14).

Extension and termination options

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

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

29.6 Earnings/(Loss) per Share

in ₹ crore except for share data or otherwise stated

Particulars	Year Ended March 31,	
	2023	2022
Basic		
Net profit/(loss) for the year attributable to the equity shareholders	(36.41)	(62.71)
Weighted average number of equity shares	15,36,77,077	10,50,19,617
Par value per share (₹)	10.00	10.00
Earnings/(loss) per share - Basic (₹)	(2.46)	(5.97)
Diluted		
Net profit/(loss) for the year attributable to the equity shareholders	(36.41)	(62.71)
Weighted average number of equity shares for Basic EPS	15,36,77,077	10,50,19,617
Add: Share warrants and bonus element on Share Options/RSUs issued to employees*	-	-
Weighted average number of equity shares - for diluted EPS	15,36,77,077	10,50,19,617
Par value per share (₹)	10.00	10.00
Earnings/(loss) per equity share - diluted (₹)	(2.46)	(5.97)

* 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.

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.

in ₹ crore

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 ₹150.33 (March 31, 2022: ₹ 79.63) and ₹ 9.06 (March 31, 2022: NIL) towards cost of technical services.

29.8 Interest in subsidiaries

Name of the Company	Place of Business	% of Holding and voting power either directly or indirectly through subsidiary as at	
		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 acquistion on July 01, 2022)	United States of America	64.40%	0%

29.9 Related party transactions

(i) Details of related parties:

Description of relationship	
Ultimate Holding Company (w.e.f October 29, 2021)	Tata Sons Private Limited
Holding Company/ Controlling Entity (w.e.f October 29, 2021)	Panatone Finvest Limited
Subsidiaries of Ultimate Holding Company (with whom the Group 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 Play Broadband Private Limited 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 Group 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 February 16, 2023) Chandrashekar Bhaskar Bhave 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)

(ii) Transaction with related parties during the year

Particulars	Year Ended March 31, 2023			
	Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Revenue from operations*	-	115.91	4.80	120.71
Interest on deposits with Financial Institution	-	-	1.86	1.86
Purchase of goods and services	-	3.67	-	3.67
Purchase of fixed assets	-	1.62	-	1.62
Communication	-	0.15	-	0.15
Insurance Cost	-	0.05	-	0.05
Professional Charges	-	0.10	0.20	0.30
Travel Cost	-	0.04	-	0.04
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

Particulars	Year Ended March 31, 2022			
	Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties	Total
Revenue from operations*	-	41.46	-	41.46
Communication	-	0.04	-	0.04
Subscription Charges	-	-	0.06	0.06
Professional Charges	-	-	0.19	0.19
Contribution to post employment benefit plans	-	-	4.50	4.50
Proceeds from Issue of Fresh Equity shares through Private Placement (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	0.32	0.28
Director Commission	0.48	0.48

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

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

Particulars	As at March 31, 2023			
	Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties/Key Management Personnel	Total
Trade receivables, unbilled receivables and contract assets	-	29.79	1.08	30.87
Trade payables	-	0.88	-	0.88
Advance received from customers	-	7.66	-	7.66
Short-term employee benefits	-	-	0.06	0.06
Directors' Commission payable	-	-	0.48	0.48

Particulars	As at March 31, 2022			
	Holding Company/ Controlling Entity	Subsidiaries of Ultimate Holding Company	Other Related Parties/Key Management Personnel	Total
Trade receivables, unbilled receivables and contract assets	-	19.80	-	19.80
Trade payables	-	1.65	-	1.65
Short-term employee benefits	-	-	0.07	0.07
Directors' Commission payable	-	-	0.48	0.48

Additional Information:

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

29.10 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	6.26	10.45	-40%	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)	10.42	13.87	-25%	Not applicable
4	Return on Equity Ratio	Profit/(Loss) after tax	Average equity	(0.01)	(0.04)	-75%	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	1.21	1.26	-4%	Not applicable
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	2.27	1.56	46%	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	4.49	3.22	39%	Increased on account of increased purchases during FY 23
8	Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	0.41	0.35	17%	Not applicable
9	Net (loss)/profit ratio	Profit/(Loss) after tax	Revenue from operations	(0.04)	(0.11)	-64%	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)	-83%	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)	-86%	Increase in average total assets, and reduction in EBIT loss for the period

29.11 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

in ₹ crore

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 ₹ 837.50 raised during the year ended March 31, 2022.

Unutilised as at March 31, 2022 amounted to ₹ 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. All the options granted under the plan are equity settled. (Refer Note (viii)(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. All the options granted under the plan are equity settled. (Refer Note (viii)(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. All the options granted under the plan are equity settled. (Refer Note (viii)(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 (viii)(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 (viii)(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 (viii)(e) below)

(vi) ESOP Plan 2008 (Saankhya Labs Private Limited): Saankhya Labs Private Limited has introduced the Equity settled Employees Stock Option Plan (ESOP) Scheme 2008 effective from 1st February, 2008. The total Pool size of the scheme 2008 is 2,00,000 options, with an exercise price of ₹10/- each and with an exercise period of 20 years from the vesting date. Pursuant to the ESOP scheme 2008, the company has given various grants to employees from time to time. The ESOP Scheme 2008 is revised on 22nd December, 2011 with retrospective effect by incorporating a change in the frequency of vesting and other vesting conditions. The life of the options granted is 4 years with annual 25% vesting under the original scheme 2008. As per the revised Scheme 2012, there is a change in the vesting, i.e. after the first annual vesting, all subsequent vesting are on a quarterly basis. (Refer Note (viii)(f) below).

(vii) ESOP Plan 2012 (Saankhya Labs Private Limited): Saankhya Labs Private Limited has introduced a new Equity settled ESOP Scheme 2012 on 22nd December, 2011 with immediate effect. The total Pool size of the scheme 2012 was with 1,00,000 options with an exercise price of ₹10/- each and with an exercise period of 20 years from the vesting date. The scheme provides for the grade vesting, upon completion of 1st year 25% and 6.25% every quarter thereafter. The total pool size is increased to 11,00,000 options in November 2018. (Refer Note (viii)(g) below)

(viii) 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 ₹ 585.52 (March 31, 2022 - ₹ 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 ₹ 585.52 (March 31, 2022 - ₹ 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
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 ₹ 585.52 (March 31, 2022 - ₹ 356.62)

	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of stock units	Weighted average exercise price (INR)	Number of stock units
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 ₹ 585.52 (March 31, 2022 - ₹ 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.

	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of stock units	Weighted average exercise price (INR)	Number of stock units
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 ₹ 585.52 (March 31, 2022 - ₹ Nil)

Particulars	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)	Number of options
f) ESOP Plan 2008				
Outstanding as at July 01, 2022	10	99,677	-	-
Granted during the period	10	-	-	-
Exercised during the period	10	-	-	-
Forfeited during the period	10	-	-	-
Outstanding as at March 31, 2023	10	99,677	-	-
Exercisable as at March 31, 2023	10	99,677	-	-
ESOP available for grant	10	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		9.03 years		

Particulars	March 31, 2023		March 31, 2022	
	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)	Number of options
g) ESOP Plan 2012				
Outstanding as at July 01, 2022	10	8,56,490	-	-
Granted during the period	10	-	-	-
Exercised during the period	10	-	-	-
Forfeited during the period	10	-	-	-
Outstanding as at March 31, 2023	10	8,56,490	-	-
Exercisable as at March 31, 2023	10	7,73,348	-	-
ESOP available for grant	10	49,953	-	-
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period		17.10 years		

(ix) 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	Year ended March 31,	
	2023	2022
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%	

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

in ₹ crore

Assumptions	Year ended March 31,	
	2023	2022
Equity-settled share-based payments (Refer Note No. 22)	59.92	11.20

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

in ₹ crore

Particulars	Note	As at March 31, 2023	As at 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 Group has multiple banking arrangements with banks who have extended fund based and non- fund based facilities and have placed uniform covenants for collateral purposes. The banks have a pari passu claim on current assets, movable property, plant and equipment provided as a collateral, with respect to such fund and non-fund based facilities. At any given point of time, availment out of fund and non-fund based facilities will be within the limits sanctioned. The pari passu charge implies that the banks have a proportionate claim on the collaterals, limited to actual utilisation of fund and non-fund based facilities. The aggregate of fund and non-fund based facilities utilised as at March 31, 2023 aggregates to ₹109.97 (March 31, 2022: ₹ 103.27).

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

in ₹ crore except equity share and per equity share data

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue		
Product sales	803.22	469.35
Traded goods	3.34	10.14
Services	113.01	71.10
Net Revenue (A)	919.57	550.59
Cost of materials consumed (Refer Note i below)	561.80	312.13
Manufacturing Expenses	30.48	17.54
Service Expenses	87.87	46.92
Total Cost of Goods Sold (B)	680.15	376.59
Gross Profit (C) = (A) - (B)	239.42	174.00
Operating Expenses:		
Research & Development (Gross)	258.79	131.23
Less: R&D Capitalized	(176.56)	(79.63)
Research & Development (Net)	82.23	51.60
Selling, Distribution & Marketing	100.95	81.20
Allowance for expected credit loss	(32.97)	87.76
General & Administrative	72.28	33.90
Operating Expenses (Net) (D)	222.49	254.46
Profit/(loss) from operations (EBITDA) (E) = (C) - (D)	16.93	(80.46)
Other Income (Refer Note ii below)	80.53	40.17
Foreign exchange loss/(gain) (Refer Note iii below)	2.41	(3.13)
Finance costs	15.20	3.19
Depreciation and amortization	122.50	76.78
Profit/(Loss) before tax	(42.65)	(117.13)
Tax expense:		
Current tax	(0.32)	0.19
Deferred tax expense/(benefit)	(5.92)	(54.61)
Profit/(loss) after tax	(36.41)	(62.71)
Other Comprehensive income/(loss)	(2.42)	(1.19)
Total comprehensive income/(loss) for the year	(38.83)	(63.90)
Earning/(loss) per share (Par Value ₹ 10 each)		
(a) Basic	(2.46)	(5.97)
(b) Diluted	(2.46)	(5.97)
Weighted average Basic Equity share outstanding	15,36,77,077	10,50,19,617
Weighted average Diluted Potential Equity share outstanding	15,36,77,077	10,50,19,617

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

in ₹ crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cost of material consumed as per Schedule III (Refer Note No. 21A, 21B and 21C)	560.70	310.78
Add: Considered separately under other expenses as per Schedule III (Refer Note No. 24)		
Other Processing Charges	1.07	1.19
Royalty	0.03	0.16
Total Cost of material consumed as per function wise profit and loss	561.80	312.13

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

in ₹ crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other income as per Schedule III (Refer Note No. 20)	81.01	43.30
Less: Net gain on foreign exchange considered separately in functional wise profit and losses (Refer Note iii below)	(0.48)	(3.13)
Other income as per function wise profit and loss	80.53	40.17

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

in ₹ crore

Particulars	Year ended March 31, 2023	Year ended March 31, 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)	2.41	(3.13)
Foreign exchange loss/(gain) as per function wise profit and loss	2.41	(3.13)

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

in ₹ crore

Name of the entity	Net assets, i.e., total assets minus total liabilities	
	March 31, 2023	March 31, 2022
Parent Company		
Tejas Networks Limited		
As % of consolidated net assets	101.15%	99.84%
Amount	3007.27	1927.10
Subsidiaries		
Indian		
Saankhya Labs Private Limited		
As % of consolidated net assets	2.70%	0.00%
Amount	80.17	-
Saankhya Strategic Electronics Private Limited		
As % of consolidated net assets	0.02%	0.00%
Amount	0.52	-
Foreign		
Tejas Communication Pte. Ltd.		
As % of consolidated net assets	0.61%	0.87%
Amount	18.22	16.87
Saankhya Labs Inc, USA		
As % of consolidated net assets	0.03%	0.00%
Amount	0.97	0.00
	104.51%	100.71%
	3,107.15	1,943.97
Consolidation adjustments		
As % of consolidated net assets	-4.51%	-0.71%
Amount	(134.19)	(13.72)
Total		
As % of consolidated net assets	100.00%	100.00%
Amount	**2,972.96**	**1,930.25**

Particulars	Share of profit or loss	
	March 31, 2023	March 31, 2022
Parent Company		
Tejas Networks Limited		
As % of consolidated profit or loss	-8.35%	101.63%
Amount	3.04	(63.73)
Subsidiaries		
Indian		
Saankhya Labs Private Limited		
As % of consolidated profit or loss	57.76%	0.00%
Amount	(21.03)	-
Saankhya Strategic Electronics Private Limited		
As % of consolidated profit or loss	1.10%	0.00%
Amount	(0.40)	-
Foreign		
Tejas Communication Pte. Ltd.		
As % of consolidated profit or loss	-2.55%	-2.78%
Amount	0.93	1.74
Saankhya Labs Inc, USA		
As % of consolidated profit or loss	2.66%	0.00%
Amount	(0.97)	-
	50.62%	98.85%
	(18.43)	(61.99)
Consolidation adjustments		
As % of consolidated net assets	49.38%	1.15%
Amount	(17.98)	(0.72)
Total		
As % of consolidated profit or loss	100.00%	100.00%
Amount	(36.41)	(62.71)

Particulars	Other Comprehensive Income		Total Comprehensive Income	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Parent Company				
Tejas Networks Limited				
As % of consolidated profit or loss	120.66%	174.79%	-0.31%	102.99%
Amount	(2.92)	(2.08)	0.12	(65.81)
Subsidiaries				
Indian				
Saankhya Labs Private Limited				
As % of consolidated profit or loss	9.50%	0.00%	54.75%	0.00%
Amount	(0.23)	-	(21.26)	-
Saankhya Strategic Electronics Private Limited				
As % of consolidated profit or loss	0.00%	0.00%	1.03%	0.00%
Amount	-	-	(0.40)	-
Foreign				
Tejas Communication Pte. Ltd.				
As % of consolidated profit or loss	36.78%	26.05%	-0.10%	-2.25%
Amount	(0.89)	(0.31)	0.04	1.44
Saankhya Labs Inc, USA				
As % of consolidated profit or loss	0.83%	0.00%	2.55%	0.00%
Amount	(0.02)	-	(0.99)	-
	167.77%	200.84%	57.92%	100.74%
	(4.06)	(2.39)	(22.49)	(64.37)
Consolidation adjustments				
As % of consolidated net assets	-67.77%	-100.84%	42.08%	-0.74%
Amount	1.64	1.20	(16.34)	0.47
Total				
As % of consolidated profit or loss	100.00%	100.00%	100.00%	100.00%
Amount	(2.42)	(1.19)	(38.83)	(63.90)

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

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

(a) Gross amount required to be spent by the Group during the year ₹ 0.22 (previous year ₹ 0.46).
(b) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

in ₹ crore

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance*
-	-	0.22	-	0.22

(c) Details of CSR expenditure under Section 135(5) of the Act in respect of 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*
0.24	-	-	(0.16)	0.08

(d) Amount spent during the year: ₹ 0.16 (included under expenditure on corporate social responsibility note no. 24)

in ₹ crore

Particulars	Incurred	Yet to be incurred	Total
1. Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
2. On purposes other than (1) above	0.16	-	0.16
	(0.46)	(-)	(0.46)

Previous year figures are in brackets

Particulars	Nature of Service	Year Ended March 31,	
		2023	2022
Vrindavana- Tree plantation project	A tree plantation drive, was launched to create a forest of indigenous tree species. The tree plantation is for the creation of a forest and to improve the green cover and the vegetation of the dry and devoid-of-vegetation region. These said trees will improve the biodiversity of the region. Apart from obvious effects on the local temperatures and air quality, creating the forest will improve soil quality by prevention of soil erosion and increasing the water table.	0.16	-

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
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
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
Shyam Hospital And Research Centre	The hospital is located in Bangarpet town in Kolar district of Karnataka. The hospital was converted to a Covid Care Hospital, so that they could serve as many people as possible.	-	0.04
ELCIA Trust	"ELCIA TRUST was established by the Electronics City Industries Association (ELCIA), in 2003 with the objective of effecting social improvement in the villages neighboring Electronics City industrial estate. With a vision to Nurture Growth, they focus on efforts on Education, Vocational training and Health & Hygiene programs for the benefit of the community. ELCIA Trust has worked tirelessly in combating COVID 19 pandemic.	-	0.05
Usha Mahajan Memorial Social Service	The project "SHIKSHA LEARNING CENTRE" at Village Narwana Khas, Dharamshala, Kangra, Himachal Pradesh, under the supervision of "Usha Mahajan Memorial Social Service Organization, aims to contribute, strengthen basic education & nutritional content, delivery, outreach and outcome, with renewed focus on developing practices that nurture health, wellness and education.	-	0.09
Total qualifying expenditure on corporate social responsibility		0.16	0.46

* For the financial year ended March 31, 2021, the Saankhya Labs Private Limited (SL) had an unspent CSR amount of ₹ 0.16 relating to an ongoing project. This amount was transferred to an unspent CSR account on August 17, 2021. Out of the aforesaid unspent amount, ₹ 0.08 was incurred towards the project on January 17, 2022. As the ongoing project was taken over by the Government, the balance unspent amount of ₹ 0.08 was transferred to a fund as per Schedule VII on April 15, 2023.

For the financial year ended March 31, 2022, SL had an unspent CSR amount of ₹ 0.16 relating to an ongoing project. This amount was transferred to an unspent CSR account on July 15, 2022. This amount was subsequently incurred towards the project on March 29, 2023.

As per the requirements of Section 135(6) any amount remaining unspent under section 135(5), pursuant to an ongoing project, shall be transferred by SL within thirty days from the end of the financial year to a special account. As mentioned above, there have been delays in transfer of such unspent amounts. SL has made a suo motu application with Registrar of Companies, Karnataka on April 15, 2023 for adjudicating the offences committed under Section 135 (6) of Companies Act, 2013 and the application is pending for disposal. Penalties, if any, in this regard has been estimated and accrued in the books of accounts.

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

Details of investments (gross)

in ₹ crore

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

Note No. 36: Details of amounts rounded off

Particulars		As at	
		March 31, 2023	March 31, 2022
1.	Investment in ELCIA ESDM Cluster (Refer Note No. 5(a)(ii))	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 group 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 Group 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 Group with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

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

(v) Compliance with number of layers of companies

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

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

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

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

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

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

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

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

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

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

(xi) Other regulatory information

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.

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 consolidated financial statements, arising from COVID-19.

Note No. 40: Business Combination

(i) Business combination - Acqusition 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, with an intention to expand its 5G business, 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 ₹ 454.19 per equity share amounting to a total purchase consideration of ₹ 283.94.

The following table represents the fair value of assets and liabilities acquired and goodwill recognised as of the date of control (i.e July 1, 2022), determined based on the valuation performed by an independent valuer.

Fair value recognised on acquisition

	Amount (in Crs)
Property, plant and equipment (including right of use assets)	13.07
Cash and Cash Equivalent	46.25
Other current assets	59.15
Fair value of tangible assets	**118.47**
Technical know-how of Saankhya Labs Private Limited	220.47
Total fair value of assets acquired	**338.94**

Deferred tax on intangible assets	(77.04)
Other liabilities (including lease liabilities)	(42.32)
Total fair value of net assets acquired	219.58
Goodwill arising on acquisition	211.81
Implied consideration	**431.39**

The goodwill of ₹ 211.81 includes the value of expected synergies arising from the acquisition which is not separately recognised. The goodwill recognised is not expected to be deductible for income tax purposes.

Purchase consideration	Amount (in Crs)
For 64.40% stake acquisition	283.94
Merger liability recognised (Refer (b) and (c) below)	147.45
Implied purchase consideration	431.39

b) Proposed merger with Saankhya Labs Private Limited

As per the share purchase agreement between the Company and the shareholders of Saankhya Labs Private Limited, the parties to the agreement have 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 SSE will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.

c) As per the Shareholders agreement between the company and the shareholders of Saankhya Labs Private Limited ("SHA"), in the event the merger is not completed within the "Merger Long Stop Date", the Company shall purchase and the remaining shareholders of Saankhya Labs Private Limited shall sell the equity shares to the Company, as per terms provided for in SHA.

As the contract contains an obligation for the entity to deliver cash in exchange for its own equity shares (Non-Controlling interest), such an obligation is in the nature of financial liability under the provisions of Ind AS 32 "Financial instruments-Presentation". Hence, a financial liability has been recognized in the consolidated financial statements (Refer Note No. 17).

d) 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 for a consideration of ₹ 0.90. 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.

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 ₹ 8.98 (March 31, 2022 - ₹ 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 ₹ 32.57 crore has not been recognised during the year ended March 31, 2023, as the Group 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:

The statement of profit and loss for the year ended March 31, 2023 and the Balance Sheet as at March 31, 2023 includes transactions/ balances related to acquisition of subsidiaries during the year as given below and thus are not comparable with previous year (Also refer note no. 40)

in ₹ crore

Particulars	As at March 31, 2023
Revenue from Operations	49.48
Profit / (Loss) before tax	(33.25)
Profit / (Loss) after tax	(23.23)

Particulars	Year ended March 31, 2023
Net assets	81.65

Note No. 43:

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)

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2023

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

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)

Venkatesh Gadiyar
Chief Financial Officer

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

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

TEJAS® NETWORKS

April 21, 2023

Dear Shareholder(s),

You are cordially invited to attend the 23rd Annual General Meeting of the Shareholders of Tejas Networks Limited ("the Company") to be held on Tuesday, June 20, 2023 at 2.30 P.M.(IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013 read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide its Shareholders the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting is enclosed herewith.

Yours sincerely

Sd/-
N. Ganapathy Subramaniam
Chairman of the Board

Enclosures:
1. Notice of the 23rd Annual General Meeting
2. Instructions for participation through VC
3. Instructions for e-voting

Note: Attendees who require technical assistance to access and participate in the meeting through VC are requested to contact the helpline number: +91 80 4179 4600 / +91 80 4179 4700

Tejas Networks Limited
CIN: L72900KA2000PLC026980
Reg Off: J P Software Park, Electronics City,
Hosur Road, Bengaluru - 560100.
Tel: +91 80 4179 4600
corporate@tejasnetworks.com
www.tejasnetworks.com

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting ("AGM") of the Shareholders of Tejas Networks Limited (the "Company") will be held on Tuesday, June 20, 2023 at 2.30 P.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.

2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

3. Appointment of N. Ganapathy Subramaniam (DIN: 07006215) as a Director (liable to retire by rotation) of the Company

To appoint a Director in place of N. Ganapathy Subramaniam (DIN: 07006215) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Alice G Vaidyan (DIN: 07394437) as a Non-Executive, Independent Director of the Company

To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:

"**RESOLVED THAT** Alice G Vaidyan (DIN: 07394437), who was appointed as an Additional Director of the Company with effect from March 29, 2023 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and who is eligible for appointment be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Alice G Vaidyan (DIN: 07394437), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years, i.e., from March 29, 2023 to March 28, 2028 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Alice G Vaidyan (DIN: 07394437) shall be entitled to receive the sitting fees/commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the consent of the Shareholders of the Company be and is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution."

5. Appointment of Anand S Athreya (DIN:10118880) as a Director of the Company

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"**RESOLVED THAT** Anand S Athreya (DIN:10118880), who was appointed by the Board of Directors as an Additional Director of the Company, based on the recommendation of the Nomination and Remuneration Committee with effect from April 21, 2023 and pursuant to the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 be appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution."

6. Appointment of Anand S Athreya (DIN:10118880) as Executive Director (Managing Director and CEO Designate) from April 21, 2023 to June 20, 2023 and as Managing Director and CEO from June 21, 2023 till April 20, 2028

To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions, including any amendments or re-enactment(s) thereof for the time being in force, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and subject to the approval of the Central Government, the consent of the Shareholders be and is hereby accorded to appoint Anand S Athreya (DIN:10118880) for a period of five years as Executive Director (*Managing Director & CEO designate)* from April 21, 2023 till June 20, 2023 and as Managing Director and CEO with effect from June 21, 2023 to April 20, 2028 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment within the overall limits of Section 197 of the Act, as recommended by the Nomination and Remuneration Committee, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and terms of remuneration in such manner as may be agreed to between the Board of Directors and Anand S Athreya.

RESOLVED FURTHER THAT the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution."

7. Material Related Party Transaction(s) with Tata Communications Limited, a related party of the Company

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time, and the Company's Policy on Related Party Transaction(s), the approval of the Shareholders be and is hereby accorded to the Board of Directors of Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into/continue to enter Material related party transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Tata Communications Limited, a related party of the Company and subsidiary of holding company under Regulation 2(1)(zb) of the SEBI Listing Regulations, for each of the financial years (FY) on such terms and conditions as may be agreed between the Company and Tata Communications Limited, subject to a maximum of ₹ 500 crore through transaction(s)/ contract(s)/ arrangement(s)/ agreement(s), as mentioned in the explanatory statement subject to such transaction(s)/ contract(s)/ arrangement(s)/agreement (s), being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

8. Material Related Party Transaction(s) with Tata Consultancy Services Limited, a related party of the Company

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time, and the Company's Policy on Related Party Transaction(s), the approval of the Shareholders be and is hereby accorded to the Board of Directors of Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into/ continue to enter Material related party transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Tata Consultancy Services Limited, a related party of the Company and subsidiary of ultimate holding company under Regulation 2(1)(zb) of the SEBI Listing Regulations, for each of the financial years (FY) on such terms and conditions as may be agreed between the Company and Tata Consultancy Services Limited, subject to a maximum of ₹ 15,000 crore through transaction(s)/ contract(s)/ arrangement(s)/agreement(s), as mentioned in the explanatory statement subject to such transaction(s)/ contract(s)/ arrangement(s)/agreement(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

9. Ratification of the Remuneration of Cost Auditors for the Financial Year 2023-2024

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) with reimbursement of conveyance expenses at actual and GST as applicable, as approved by the Board of Directors, payable to GNV & Associates, Cost & Management Accountants, Bangalore (Firm Registration Number 000150), who are appointed by Board of Directors to carry out audit of Company's cost records for the Financial Year 2023-2024.

RESOLVED FURTHER THAT the consent of the Shareholders of the Company is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors / Executives of the Company to give effect to the aforesaid resolution."

10. Appointment of Branch Auditor(s)

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Company (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors of the Company be and is hereby authorized to appoint Branch Auditor(s) for any branch office of the Company, whether existing or which may be opened in India or outside India, in consultation with the Company's Statutory Auditors, any person(s) qualified to act as a Branch Auditor(s) within the provisions of Section 143(8) of the Act and to fix their remuneration.

RESOLVED FURTHER THAT the consent of the Shareholders of the Company is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors / Executives of the Company to give effect to the aforesaid resolution."

By Order of the Board
Sd/-
N R Ravikrishnan
Company Secretary
ACS Membership No: 7875

April 21, 2023
Bengaluru

Explanatory Statement Under Section 102 of the Companies Act, 2013

As required under section 102(1) of the Act, the following explanatory statement sets out all material facts relating to business mentioned under Items Nos. 4 to 10 of the accompanying Notice:

Item No. 4 – Appointment of Alice G Vaidyan (DIN: 07394437), as Non-Executive, Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board at its meeting held on March 29, 2023 appointed Alice G Vaidyan (DIN: 07394437) as an Additional Director of the Company and also as Independent Director not liable to retire by rotation, for a term of five years, i.e., from March 29, 2023 upto March 28, 2028 (both days inclusive), subject to approval of the Shareholders by way of Special Resolution.

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Alice G Vaidyan shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The profile and specific areas of expertise of Alice G Vaidyan are provided as Annexure to this Notice.

Alice G Vaidyan has also confirmed that she is in compliance of Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Institute of Corporate Affairs.

Alice G Vaidyan has given her declaration to the Board, inter alia, that

(i) she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations;

(ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority;

(iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director and:

(iv) has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge her duties.

In the opinion of the Board, Alice G Vaidyan is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and she is independent of the management.

Given her experience, the Board considers it desirable and in the interest of the Company to have Alice G Vaidyan on the Board of the Company and accordingly the Board recommends the appointment of Alice G Vaidyan as an Independent Director as proposed in the Special Resolution set out at Item No. 4 of the accompanying Notice for approval by the Shareholders.

Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection. Please refer to Note 13 given in the Notice on inspection of documents.

Except for Alice G Vaidyan and/or her relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 5 and 6 - Appointment of Anand S Athreya (DIN:10118880) as a Director of the Company and Appointment of Anand S Athreya (DIN:10118880) as Executive Director *(Managing Director and CEO Designate)* from April 21, 2023 to June 20, 2023 and as Managing Director and CEO from June 21, 2023 till April 20, 2028

The Board of Directors of the Company at its meeting held on April 21, 2023, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company and Central Government, appointed Anand S Athreya as an Additional Director of the Company with effect from April 21, 2023. Further, the Board at the said meeting also appointed Anand S Athreya as the Executive Director ***(Managing Director and CEO designate)*** from April 21, 2023 till June 20, 2023 as well as Managing Director and CEO from June 21, 2023 till April 20, 2028. Anand S Athreya holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company.

Profile

- Anand S Athreya has more than 25 years of highly technical and managerial experience in telecom equipment, networking, and software industries. He was the Executive Vice President and Chief Development Officer of Juniper Networks since 2017 and he served as Senior Vice-President of the Routing Business Unit for 3 years prior to his current role. Anand S Athreya was with Juniper Networks since 2004 until November 2022. Anand S Athreya has consistently delivered successful products to market for Juniper customers, including J-Series, Junos Security Software, Branch SRX, MX, PTX, and ACX Systems, and has been instrumental in securing key customer wins around the globe.
- Anand S Athreya earned his B.E. in Electrical Engineering from Bangalore University, India, and M. Tech in Computer Science and Engineering from Osmania University, India. He later moved to USA and obtained Master's in Business Administration (Hons.) from National University, CA. He also attended the Advanced Management Program at Harvard Business School.
- Anand S Athreya worked closely with several global corporations across in telecom equipment, networking, and software industries. He consistently contributed to development and delivery of key products in his previous assignments Anand has led and delivered large, complex, multi-country implementations across businesses and hence has the requisite skills and capabilities as identified and required for a Managing Director and CEO of the Company.
- Anand S Athreya is an industry veteran, having been a leader in world-class global Silicon, Systems & Software Engineering, and global innovation led Research and Development and product development for the networking world. Anand has led the delivery of several industry leading and award-winning products for the telecommunication industry and the Company would benefit from his leadership and rich experience.
- The Board is of the view that Anand S Athreya's skills, background, experience and expertise will be of immense benefit and it is in

the interest of the Company to appoint Anand S Athreya as an Executive Director *(Managing Director and CEO designate)* from April 21, 2023 till June 20, 2023 and as Managing Director and CEO from June 21, 2023 till April 20, 2028.

- Anand S Athreya does not hold any Equity Shares in the Company. He is an American National and an Overseas Citizen of India.
- Anand S Athreya has given his consent to act as a Director of the Company and a declaration to the effect that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013. He is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI ") or any other authority.

Approval of the Central Government

Anand S Athreya is an American National and an Overseas Citizen of India. Hence, as per Part I of Schedule V to the Act, his appointment is subject to the approval of the Central Government as Anand S Athreya has not been a resident of India for a continuous period of not less than twelve months immediately preceding the date of his appointment as a managerial person.

Key terms and conditions of the appointment of Anand S Athreya as Executive Director *(Managing Director and CEO designate)* from April 21, 2023 till June 20, 2023 and as Managing Director and CEO from June 21, 2023 till April 20, 2028

The Board is of the view that the appointment of Anand S Athreya as Executive Director *(Managing Director and CEO designate)* and as Managing Director and CEO, will greatly benefit the operations of the Company and the remuneration payable to him is commensurate with his qualifications and experience. The principal terms and conditions of his appointment are as given below:

i. Term

Five years commencing from April 21, 2023 till June 20, 2023 as Executive Director *(Managing Director and CEO designate)* and as Managing Director and CEO from June 21, 2023 till April 20, 2028 (hereinafter referred to as the "Managing Director and CEO").

ii. Nature of Duties

a. Anand S Athreya (DIN:10118880) shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Managing Director and CEO from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

b. The Managing Director and CEO shall not exceed the powers so delegated by the Board pursuant to clause above.

c. The Managing Director and CEO undertakes to employ the best of his skill and ability and to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

d. The Managing Director and CEO shall undertake his duties from such location as may be directed by the Board.

iii. Proposed remuneration

The Managing Director and CEO subject to him performing his duties and conforming to the terms and conditions of his appointment and subject to such approvals as may be required, be entitled to the following remuneration after deduction of all applicable taxes in accordance with the laws for the time being in force.

Annual Fixed Compensation of INR 3.75 crore per annum.

The Fixed Compensation is comprising of following components:

a. Basic Salary: ₹ 10,93,750 per month - which is computed at 35% of Annual Fixed Compensation - with effect from the date of joining. Effective 2024, the annual increment payable will be due on 1st April each year and will be determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, which will take into account the performance of the Managing Director and CEO, the size of operations, performance of the Company and its subsidiaries/associates and other relevant factors.

b. Benefits, Perquisites, Allowances

- Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for company provided accommodation OR House Rent Allowance in lieu (in case residential accommodation is not provided by the Company)
- Other perquisites and allowances with an option to choose from the components given below, as per his requirement subject to it being within the limits of the Annual Fixed Compensation, comprising of the following but not limited to:
    - Leave Travel Assistance
    - Special Allowance (SA): Any amount lying unallocated from the flexible allowance after distribution across the components specified above will be paid as Special Allowance
- Company provided car and chauffer as per Company policy up a maximum amount of ₹ 25 Lakhs per annum.
- Statutory Contributions to Provident Fund and Gratuity Fund as per the rule of the Company. For avoidance of doubt, it is clarified that notwithstanding anything contained in rules, the Company will not be required to make any contributions towards Superannuation Fund or Annuity Fund or any other retirement benefits.
- Hospitalization, Telecommunication and other benefits:
    - Medical expenses for major illnesses and hospitalization expenses for self and dependent members of the Managing Director and CEO's family in India per Company's policy;
    - Telecommunication facilities including broadband, internet and mobile.

It is clarified that the details mentioned under Company Provided Car and Hospitalisation, Telecommunication and other benefits shall not be included in computation of Annual Fixed Compensation.

Incentive Remuneration in the form of

- **Performance Linked Bonus:** Performance Linked Bonus up to ₹ 3.75 crore will be delivered annually as performance bonus on the achievement of the annual operating plan of the company and specific Key Performance Indicators for the Managing Director and CEO's personal contributions. These parameters will be agreed with the Managing Director and CEO, before the start of each Financial Year of the company. The plan will have defined threshold and any achievement below threshold value will result in no payout. The plan design along with the targets will be finalized by the Board of the Company.

- **Long Term Incentive:** Restricted Stock Units (RSUs) having a target fair value equal to ₹ 7.5 crore will be delivered as Long-Term Incentive. The number of RSUs granted will be computed basis their respective fair values on the date of grant determined using the Black-Scholes model (or any other acceptable model as required). To exercise the vested RSUs grants, the Managing Director and CEO will be required to pay the exercise price (as specified in the Grant Letter) to the Company on the date of exercise and any other taxes as applicable. The actual RSUs granted as well as other plan details such as the performance parameters (as applicable), vesting schedule and the norms for exercise will be finalized by the Board of the Company in conformity with relevant statutory provisions and post all necessary approvals.

One-time Compensation in the form of:

- RSUs having a target fair value equal to ₹ 7.5 crore will be granted at the time of joining.
- RSUs having a target fair value equal to ₹ 3.75 crore each will be granted on completion of 1 year and 2 years respectively with the Company
- ₹ 3.75 crore each year will be paid in cash on completion of 1 year and 2 years respectively with the Company.
- Based on the stock price performance of the RSU grants, at the end of the 4th year from date of grant (adjusted for tax benefits and significant adverse exchange rate movement), a decision will be taken by the Board of the Company if any additional one-time compensation needs to be paid to the Managing Director and CEO.
- The number of RSUs granted will be computed basis their respective fair values on the date of grant determined using the Black-Scholes model (or any other acceptable model as required). To exercise the vested RSUs grants, the Managing Director and CEO will be required to pay the exercise price as specified in the grant letter to the Company on the date of exercise and any other applicable taxes. The actual RSUs granted as well as other plan details such as the performance parameters, vesting schedule and the norms for exercise will be finalized by the Board of the Company in conformity with relevant statutory provisions and post all necessary approvals.
- In the event the Managing Director and CEO voluntarily gives a notice of termination of this agreement within 12 months of receiving the respective amounts , the Managing Director and CEO will have to pay back the respective amounts paid to him (pre-tax) to the Company.

c. Insurance: The Company shall keep and maintain the following insurance policies as per Company's rules and policy, which are currently as follows:

- Directors and Officers Liability Insurance Policies
- Accident Insurance Policy
- Life Insurance Policy.

d. Minimum Remuneration

1. Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Managing Director and CEO, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director and CEO remuneration by way of salary, Benefits, Perquisites and Allowances as specified in the agreement to be executed between the Company and the Managing Director and CEO ('Agreement'), subject to further approvals as may be required under Schedule V to the Act, or any modification(s) thereto.
2. The vesting and other terms of each grant shall be subject to the Company RSU plan and any agreements evidencing the award under the Company RSU Plan and as determined by the Board or its Committee from time to time.
3. The performance based Restricted Stock Units shall be subject to the achievements / milestones as determined by the Board or Nomination and Remuneration Commitee.

iv. Term and Termination

Subject to as hereinafter provided, the terms and conditions of appointment of Managing Director and CEO shall remain in force up to a period of five years from the date of appointment unless terminated earlier:

a. In the event of the Company initiated termination:

- Without cause: The employment may be terminated by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of [Basic Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board)], in lieu of such notice.
- With cause: No amount would be payable (where the payment would be zero)

b. The employment of the Managing Director and CEO may be terminated by the Company without notice or payment in lieu of notice:

- if the Managing Director and CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which the Managing Director and CEO is required by the terms of employment to render services; or
- in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director and CEO of any of the stipulations contained in the terms of employment; or
- in the event the Board expresses its loss of confidence in the Managing Director and CEO.

c. Termination due to physical / mental incapacity - In the event the Managing Director and CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

d. Upon the termination by whatever means of his employment:

- the Managing Director and CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act unless the Board of Directors of the Company decide otherwise, shall resign as trustee of any trusts connected with the Company.
- the Managing Director and CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

e. If and when the Agreement expires or is terminated for any reason whatsoever, Anand S Athreya will cease to be the Managing Director and CEO and also cease to be a Director of the Company. If at any time, the Managing Director and CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and CEO and the employment shall forthwith terminate. If at any time, the Managing Director and CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director and CEO of the Company.

f. In the event the Managing Director and CEO voluntarily gives a notice of termination of the employment within 12 months of receiving the respective amounts, then the Managing Director and CEO will have to pay back the respective amounts paid to him (pre-tax) to the Company.

The other principal terms and conditions of the appointment of Anand S Athreya inter alia are as under:

a. The Managing Director and CEO shall adhere to the Tejas Code of Conduct in spirit and in letter, no conflict of interest with the Company, protection and usage of intellectual property, maintenance of confidentiality and all Personal Policies.

b. The Managing Director and CEO covenants with the Company that during the continuance of his employment with the Company will not accept any other directorships / advisory roles in any company or body corporate without the prior written consent of the Board. The Managing Director and CEO confirms that he does not hold any other advisory, non-executive roles at present.

c. The Managing Director and CEO covenants with the Company that he will not for a period of one year immediately following the termination of his employment, without the prior written consent of the Board endeavor or entice away from the Company any of his direct or two level below reportees who has at any time during the one year period immediately preceding such termination been employed or engaged by the Company or any subsidiaries or associated companies at any time during the one year period immediately preceding termination.

d. The terms and conditions of the appointment of the Managing and CEO and / or the employment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director and CEO, subject to such approvals as may be required

e. The Managing Director and CEO covenants with the Company that he will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its holding company or its subsidiaries or associated companies. The application of this clause needs to be read in conjunction with the relevant clauses in the Tejas Code of Conduct.

Other matters:

a. The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the Company before obtaining the approval in the general meeting.

b. The terms and conditions of his appointment shall be open for inspection by the Shareholders during the normal business hours on any working day (except Saturday) and during the AGM. Any person who wishes to inspect may write to the Company Secretary at agm@tejasnetworks.com.

Additional Information

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

I. General Information

(i) Nature of Industry

The Company is a global broadband, optical and wireless networking product company, with a focus on technology, innovation and Research and Development. The Company caters to multiple customer segments and have an extensive portfolio of leading-edge telecom products for building end-to-end telecom networks based on the latest technologies and global standards with IPR ownership. With a focus on deep technology and Research and Development, the Company has a rich portfolio of patents and has shipped more than 700,000 systems across the globe.

(ii) Date or expected date of commencement of commercial production:

Not Applicable. The Company was incorporated and commenced its business on April 24, 2000 at Bengaluru. The Corporate Identity Number (CIN) of the Company is L72900KA2000PLC026980.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

(iv) Financial performance based on Standalone Audited Accounts for the years ended

in ₹ crore

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Gross Turnover & Other Income	948.22	592.39	549.30
Net profit/(loss) after tax as per Statement of Profit & Loss	3.04	(63.73)	37.29
Computation of Net Profit/(Loss)in accordance with Section 198 of the Companies Act, 2013	(9.29)	(23.95)	(98.81)
Net Worth*	3,007.27	1,589.60	1,132.96

*excludes ₹ 337.50 crore of money received against share warrants as on March 31, 2022.

(v). Foreign investments or collaborators, if any:

Not applicable.

II. Information about the appointee

(i) Background details:

Refer profile section as stated above

(ii) Past remuneration during the financial year ended March 31, 2023:

Not applicable

(iii) Job Profile and his suitability:

Please refer profile section as stated above

(iv) Remuneration proposed:

Please refer Terms and conditions of the appointment as stated above

(v) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Anand S Athreya, the responsibilities undertaken by him and the industry benchmarks, the remuneration proposed to be paid will commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to him, Anand S Athreya does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other information

(i) Reasons of loss or inadequate profits:

The Company posted a Net Profit was ₹ 3.04 crore on Standalone basis for the year ended March 31, 2023 and this is primarily due to lower gross margins on account of increased component prices, which the Company could not transfer to the customers due to fixed rate contracts and lower proportion of international revenues.

(ii) Steps taken or proposed to be taken for improvement:

The Company expects to increase the business volume with the highest ever opening backlog of orders. Negotiations with the suppliers are in progress to achieve large scale economies and better margins. Also, the new customer deals with the basis of revised costs are expected to have positive impact on overall margins.

(iii) Expected increase in productivity and profits in measurable terms:

The Company is increasing the manufacturing capacity by handling multiple new EMS vendors, to be able to execute majority of the opening backlog of ₹ 1,934 crore. Increased volumes along with the large scale economies, is expected to increase the profits in absolute terms.

IV. Disclosures:

Since the appointment of Anand S Athreya as the Executive Director *(Managing Director and CEO designate)* and as Managing Director and CEO is effective from April 21, 2023, the information and disclosures of the remuneration package of Anand S Athreya as per the requirements of Section II of Part II of Schedule V of the Act is not mentioned in the Annual Report under the Corporate Governance Report Section. However, the information and disclosures of the remuneration of all Directors have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration to Directors."

Recommendation for the appointment the appointment of Anand S Athreya as the Executive Director *(Managing Director and CEO designate)* and as Managing Director and CEO

Anand S Athreya satisfies all the conditions set out in Part-I of Schedule V to the Act except that he has not been a resident of India for a continuous period of twelve months immediately preceding the date of his appointment as a managerial person for which the Company will make an application to the Central Government, subject to the approval of the Shareholders and also satisfies the conditions set out under section 196(3) of the Act for being eligible for his appointment.

The brief resume of Anand S Athreya, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding in the Company, as stipulated under SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are stated herein. This explanatory statement may also be regarded as a disclosure under the SEBI Listing Regulations, The Board is of the view that Anand S Athreya's knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends his appointment to the Shareholders.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V of the Act and MCA Notification dated September 12, 2016, as amended, and based on the recommendations of the Board and the Nomination and Remuneration Committee, subject to the approval of the Central Government, the approval of the Shareholders is being sought by way of **Special Resolution** for appointment and terms of remuneration of Anand S Athreya as the Executive Director *(Managing Director and CEO designate)* from April 21, 2023 to June 20, 2023 and as Managing Director and CEO of the Company from June 21, 2023 to April 20, 2028 and as set out above. The Board commends the Special Resolution set out at Item No. 5 and 6 of the accompanying Notice for the approval by Shareholders of the Company.

Pursuant to the provisions of Section 197 read with Schedule V to the Act, in respect of the payment of Managerial Remuneration in case of no profits / inadequate profits as calculated under Section 198 of the Act, the Company may pay such remuneration over the ceiling limit as specified in Schedule V, provided the Shareholders approval by way of a Special Resolution has been taken for payment of Minimum Remuneration for a period not exceeding three years, compliance with the disclosure requirements and other conditions stated therein.

Disclosure of Interest

Anand S Athreya is not related to any other Directors or any Key Managerial Personnel of the Company. Except for Anand S Athreya and his relatives, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the said appointment.

Preamble to Item No. 7 and 8 - Approval of Related Party Transactions

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, states that all Material Related Party Transaction with an aggregate value exceeding ₹ 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an Ordinary Resolution. The said limits are applicable even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

In furtherance of its business activities, the Company and its Subsidiaries have entered into / will enter into transactions / contract(s) / agreement(s) / arrangement(s) with related parties in terms of Regulation 2(1) (zc)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

All related party transactions of the Company its subsidiaries and its associates are at arm's length and in the ordinary course of business. Further, all related party transactions are undertaken after obtaining prior approval of the Audit Committee. All related party transactions have been unanimously approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals. The related party transactions between the Company its subsidiaries and its associates and between the Indian subsidiaries and its associates and their related parties are also approved by the audit committees of the respective subsidiaries (wherever applicable), It is in the above context that Resolutions Nos. 7 to 8 are placed for the approval of the Shareholders of the Company.

Item No. 7 - Approve entering into Material Related Party Transactions with Tata Communications Limited, a related party of the Company

For more than two decades, Tata Communications Limited, have been leveraging its solutions orientated approach, managed service capabilities and cutting-edge infrastructure to power the digital transformation of enterprises globally. Given the nature of telecommunication industry and Tata Communications Limited being a digital ecosystem enabler, the Company works closely with Tata Communications Limited, to achieve its business objectives and enters into various operational transactions, from time to time, in the ordinary course of business and on arm's length basis by way of purchase or sale of goods and rendering and / or availing of the services at arm length and in ordinary course of business. Further, the Company and Tata Communications Limited, being part of the Tata Group, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow and generation of revenue and business for the company to cater to their business requirements.

The Management has provided the Audit Committee with the relevant details, as required under law, for the proposed RPT including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into Related Party Transaction with Tata Communications Limited for an aggregate value of up to ₹ 500 crore to be entered for the financial year 2023-2024. The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company. Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 7 of the accompanying Notice to the shareholders for approval.

Details of the proposed transactions with Tata Communications Limited, being a related party of the Company and the summary of information provided by the Management to the Audit Committee, are as follows:

Information pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

S.No	Description	Details
1	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise):	Tata Communication Limited. Tata Communication Limited is a subsidiary of Panatone Finvest Limited. The holding company of Tejas Networks Limited is Panatone Finvest Limited. Hence, Tata Communications Limited and Tejas Networks Limited are related parties.
2	Name of the director or key managerial personnel who is related, if any and nature of relationship	N Ganapathy Subramaniam A S Lakshminarayanan
3	Type of the proposed transaction	Purchase or sale of goods and rendering and / or availing of the Services for business purpose at arm length and in ordinary course of business.

4	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the company is operating in. Monetary value of transactions upto to a maximum of ₹ 500 crore for the financial year 2023-2024 through purchase or sale of goods and rendering and / or availing of the Services for business purpose at arm length and in ordinary course of business
5	Tenure of the transaction	Contractual commitments expected for a tenure of 5 years.
6	Value of the transaction	₹ 500 crore
7	Percentage of Tejas annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	54%
8	Justification for the transaction	For the purpose of achieving the business objectives and continuity in operations and to smoothen business operations for both the companies. Purchase or sale of goods and rendering and / or availing of the Services for business for both the companies in ordinary course of business.
9	Details of the valuation report or external party report (if any) enclosed with the Notice	All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally and by Statutory Auditors.
10	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
A)	Details of the source of funds in connection with the proposed transaction	Not Applicable
B)	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure	Not Applicable
C)	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)	Not Applicable
D)	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
11	Any other relevant information	• The transactions are proposed to be entered for the purpose of achieving the business objectives and continuity in operations. • All these transactions will be executed on an arm's length basis and in the ordinary course of business of the Company

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal are at the arm's length testing criteria and are in the ordinary course of business. The related party transaction will be entered based on the market price of the relevant material and service. Where market price is not available, alternative method including reimbursement of actual cost incurred or cost plus mark-up as applicable has been considered as per arm's length pricing criteria.

Where the materiality thresholds for related party transactions, as provided under Regulation 23(1) of the SEBI Listing Regulations, undergoes any modification or revision, as may be notified by appropriate authority, pursuant to which the requirement for seeking prior approval of Shareholders remains no longer applicable with respect to the resolution or any part of the resolution, the resolution or such part of the resolution, as the case may be, shall be deemed infructuous and shall not be considered by the Company during the financial year 2023-2024.

Disclosure of Interest

N Ganapathy Subramaniam and A S Lakshminarayanan are Non-Executive and Non-Independent Directors of the Company. N Ganapathy Subramaniam is a Non-Executive and Non-Independent Director of Tata Communications Limited and A S Lakshminarayanan is the Managing Director and CEO of Tata Communications Limited, respectively. Further, both N Ganapathy Subramaniam and A S Lakshminarayanan is a Nominee Director of Panatone Finvest Limited, the Promoter of the Company and a subsidiary of Tata Sons Private Limited. Hence, both N Ganapathy Subramaniam and A S Lakshminarayanan may be deemed to be interested or concerned in the said resolution. None of the other Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding/ directorships, if any, in the Company and in any of the entity mentioned above, are concerned/interested in the above resolution. The Shareholders may please note that in terms of provisions of the SEBI Listing Regulations, no related parties shall vote to approve the Ordinary Resolution accompanying the Notice.

Recommendations of the Board for approval

Based on the information on the proposed transactions, the Audit Committee has approved entering into the said transactions and the Board of the Company has reviewed and recommended that the approval of the Shareholders be also sought for the resolution contained at Item No. 7 herein. The Board, therefore, recommends the passing of the Ordinary Resolution at Item No. 7 of the Notice, for the approval of the Shareholders.

Item No. 8 - Approve entering into Material Related Party Transactions with Tata Consultancy Services Limited, a related party of the Company

Tata Consultancy Services Limited, a subsidiary of Tata Sons Private Limited, is a provider of information technology services and offers business solutions to various industries, including communication. Given the nature of telecommunication industry, the Company works closely with Tata Consultancy Services Limited, to achieve its business objectives and enters into various operational transactions, from time to time, in the ordinary course of business and on arm's length basis by way of purchase or sale of goods and rendering and/ or availing of the services at arm length and in ordinary course of business. Further, the Company and Tata Consultancy Services Limited, being part of the Tata Group, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow and generation of revenue and business for the company to cater to their business requirements.

The Management has provided the Audit Committee with the relevant details, as required under law, of various proposed Related Party Transactions including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into Related Party Transaction with Tata Consultancy Services Limited for an aggregate value of up to ₹ 15,000 crore to be entered for the financial year 2023-2024. The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company. Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 8 of the accompanying Notice to the shareholders for approval.
Details of the proposed transactions with Tata Consultancy Services Limited, being a related party of the Company and the summary of information provided by the Management to the Audit Committee, are as follows:

Details of the proposed transactions with Tata Consultancy Services Limited, being a related party of the Company and summary of Information pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

S.No	Description	Details
1	Name of the related party, nature of and its relationship with the listed entity [including nature of its interest (financial or otherwise)]	Tata Consultancy Services Limited. Tata Consultancy Services Limited is a subsidiary of Tata Sons Private Limited. The ultimate holding company of Tejas Networks Limited is Tata Sons Private Limited. Hence, Tata Consultancy Services Limited and Tejas Networks Limited are related parties.
2	Name of the director or key managerial personnel who is related, if any and nature of relationship	N Ganapathy Subramaniam
3	Type of the proposed transaction	• Rendering of IT/ITE Services including IT, Infrastructure, Cloud, IOT & Digital Engineering, Digital Transformation, Analytics, Cyber Security, and such related areas • Supply of hardware and software, • Reimbursement of expenses • Procurement of Goods, services, sponsorship, etc • Leasing of property • Any transfer of resources, services or obligations to meet its objectives/requirements

4	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the company is operating in. Monetary value of transactions subject to a maximum of ₹ 15,000 crore through contracts/arrangements for a duration up to twelve years.
5	Tenure of the transaction	Contractual commitments expected for a tenure of 12 years.
6	Value of the transaction	₹ 15,000 crore
7	Percentage of Tejas annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	1,631%
8	Justification for the transaction	The domain expertise and competencies available within the group and the collaboration with the company will help in delivering world class technology to one of the high-priority and prestigious projects of the Government of India and further establish Tata Group's commitment to attain Atma nirbhar Bharat and other business opportunities in India and abroad.
9	Details of the valuation report or external party report (if any) enclosed with the Notice	All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally and by Statutory Auditors.
10	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
A)	Details of the source of funds in connection with the proposed transaction	Not Applicable
B)	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure	Not Applicable
C)	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)	Not Applicable
D)	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
11	Any other relevant information	• The transactions are proposed to be entered for the purpose of achieving the business objectives and continuity in operations. • All these transactions will be executed on an arm's length basis and in the ordinary course of business of the Company. • Unsecured Interest-free Mobilisation advance upto ₹ 1,500 crore to be given by Tata Consultancy Services Limited to facilitate procurement of equipment. • Adjustment of advance/s against progressive delivery of milestones, on the same terms as committed by Tata Consultancy Services Limited to end-customer.

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal are at the arm's length testing criteria and qualifies as contract under ordinary course of business. The related party transaction will be entered based on the market price of the relevant material and service. Where market price is not available, alternative method including reimbursement of actual cost incurred or cost plus mark-up as applicable has been considered as per arm's length pricing criteria.

Where the materiality thresholds for related party transactions, as provided under Regulation 23(1) of the SEBI Listing Regulations, undergoes any modification or revision, as may be notified by appropriate authority, pursuant to which the requirement for seeking prior approval of Shareholders remains no longer applicable with respect to the resolution or any part of the resolution, the resolution or such part of the resolution, as the case may be, shall be deemed infructuous and shall not be considered by the Company

Disclosure of Interest

N Ganapathy Subramaniam, Non-Executive and Non-Independent Director of the Company is also the Executive Director and Chief Operating Officer of Tata Consultancy Services Limited. Further, N Ganapathy Subramaniam is a Nominee Director of Panatone Finvest Limited, the Promoter of the Company is a subsidiary of Tata Sons Private Limited. Hence, N Ganapathy Subramaniam may be deemed to be interested or concerned in the said resolution. None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding/ directorships, if any, in the Company and in any of the entity mentioned above, are concerned/ interested in the above resolution. The Shareholders may please note that in terms of provisions of the SEBI Listing Regulations, no related parties shall vote to approve the Ordinary Resolution accompanying the Notice.

Recommendations of the Board for approval

Based on the information on the proposed transactions, the Audit Committee has approved entering into the said transactions and the Board of the Company has reviewed and recommended that the approval of the Shareholders be also sought for the resolution contained at Item No. 8 herein. The Board, therefore, recommends the passing of the Ordinary Resolution at Item No. 8 of the Notice, for the approval of the Shareholders.

Item No. 9 - Ratification of the remuneration of Cost Auditor:

The Board approved the appointment of to GNV & Associates, Cost & Management Accountants, Bangalore (Firm Registration Number 000150), as Cost Auditors of the Company to conduct audit of cost records for the financial year 2023-2024 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) with reimbursement of conveyance expenses at actual and GST as applicable in accordance with provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 remuneration payable to cost auditors has to be ratified by shareholders of the Company.

Disclosure of Interest

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding/ directorships, if any, in the Company and in any of the entity mentioned above, are concerned/interested in the above resolution. The Shareholders may please note that in terms of provisions of the SEBI Listing Regulations, no related parties shall vote to approve the Ordinary Resolution accompanying the Notice

Recommendations of the Board for approval

Based on the information on the proposed transactions, the Audit Committee has approved entering into the said transactions and the Board of the Company has reviewed and recommended that the approval of the Shareholders be also sought for the resolution contained at Item No. 9 herein. The Board, therefore, recommends the passing of the Ordinary Resolution at Item No. 9 of the Notice, for the approval of the Shareholders.

Item No.10 Appointment of Branch Auditors

The Company has branches outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. Pursuant to Section 143, of the Companies Act, 2013, the Shareholders are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

Disclosure of Interest

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding/ directorships, if any, in the Company and in any of the entity mentioned above, are concerned/interested in the above resolution. The Shareholders may please note that in terms of provisions of the SEBI Listing Regulations, no related parties shall vote to approve the Ordinary Resolution accompanying the Notice.

Recommendations of the Board for approval

Based on the information on the proposed transactions, the Audit Committee has approved entering into the said transactions and the Board of the Company has reviewed and recommended that the approval of the Shareholders be also sought for the resolution contained at Item No. 10 herein. The Board, therefore, recommends the passing of the Ordinary Resolution at Item No. 10 of the Notice, for the approval of the Shareholders.

Notes:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and December 28, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility/Other Audio Visual Means ('OAVM'), without the physical presence of the Shareholders at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, this AGM of the Company is being held through VC/ OAVM. Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the Special Business under Item 4 to 10 of the Notice is annexed hereto. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment /reappointment at the AGM, forms part of this Notice.

3. In compliance with MCA and SEBI Circulars, of the AGM along with the Annual Report is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company/Depositories. Shareholders may note that the Notice and Annual Report will also be available on the Company's website https://www.tejasnetworks.com/shareholders_agm.php, websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

4. The Register of Shareholders and Share Transfer Books of the Company will remain closed from June 13, 2023 to June 20, 2023 (both days inclusive).

5. Pursuant to the provisions of the Act, a Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Shareholder of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the AGM.

6. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at https://tejasnetworks.com/disclosures.php Shareholders are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Link Intime India Private Limited, in case the shares are held in physical form.

7. Shareholders holding shares in physical form are requested to consider converting their holdings into dematerialized form to eliminate all risks associated with the physical shares and for ease of portfolio management. Shareholders can contact the Company or RTA for assistance in this regard. Further, the Shareholders who are holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Shareholders after making requisite changes.

8. The Securities Exchange Board of India has mandated the holders of physical securities to mandatorily furnish of PAN, KYC details and Nomination by holders of physical securities. The detailed requirements can be downloaded from the Company's website at The folios wherein any one of the cited document/details are not available on or after October 1, 2023, the folios shall be frozen by the RTA.

9. To support the 'Green Initiative', Shareholders who have not registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

10. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone number, mobile number, permanent account number (PAN), mandates, nominations, power of attorney, Company details to their DPs in case the shares are held by them in electronic form and to RTA in case shares are held in physical form.

11. Institutional / Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or Governing Body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to evoting@tejasnetworks.com with a copy marked to evoting@nsdl.co.in.In case of joint holders attending the AGM, the Shareholders whose name appears as the first holder in the order of names as per the Register of Shareholders of the Company will be entitled to vote.

12. Attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on February 8, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a Company's shares or the right to exercise significant influence or control over the Company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and as specified in the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on February 8, 2019.

13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Shareholders during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Shareholders from the date of circulation of this

Notice up to the date of AGM, i.e. June 20, 2023. Shareholders seeking to inspect such documents can send an email to agm@tejasnetworks.com.

14. Shareholders seeking any information with regard to any items provided in the AGM Notice including the Annual Accounts and any queries relating to the business /operations of the Company, are requested to write to the Company mentioning their name, DP ID and Client ID number /folio number and mobile number. The same should reach on or before June 15, 2023 at agm@tejasnetworks.com and responses to such queries will be appropriately addressed by the Chairman of the meeting. Due to technical reasons, the length of a question may possibly be limited to a certain number of characters. However, the number of questions a Shareholder or its authorized representative can submit will not be affected thereby. The Management will decide, at its due discretion, whether and how it will answer the questions. It can summarize questions and select in the interest of the other Shareholders, meaningful questions. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

15. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the Listing Regulations, the Shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice. The instructions for e-voting has been attached to the Notice of the AGM.

16. The remote voting through electronic means will commence on June 15, 2023 at 9.00 am (IST) and will end on June 19, 2023 at 5.00 pm (IST). The Shareholders will not be able to cast their vote electronically beyond the date and time mentioned here. Once the vote on a resolution is cast by a Shareholder via remote e-voting, it cannot be changed subsequently or cast the vote again. However, a Shareholder may participate in the meeting even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the meeting.

17. During the period when the facility for remote e-voting is provided, the Shareholders of the Company holding the shares either in physical or in dematerialized form as on the relevant date (i.e.) June 13, 2023 may opt to vote via remote electronic voting process.

18. The details of the process and manner of remote e-voting along with the User ID and Password is being sent to all the Shareholders along with this Notice. In case of any queries / grievances relating to voting by electronic means, the Shareholders / beneficial owners or in case any person, acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date June 13, 2023 may obtain the login ID and password by sending a request to evoting@nsdl.co.in.

19. The Board of Directors has appointed C. Dwarakanath, Company Secretary in Practice (FCS- 7723 and CP No: 4847) failing which Ananta Deshpande, Company Secretary in Practice (ACS - 24319 and CP No.20322) as a Scrutinizers to scrutinize the voting through remote e-voting and voting process at AGM in a fair and transparent manner. The results on above resolutions shall be declared not later than two working days from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions. The results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company (www.tejasnetworks.com) and on Service Provider's website NSDL (www.evoting.nsdl.com) and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited.

20. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

Date: April 21, 2023
Bengaluru

By Order of the Board
Sd/-
N R Ravikrishnan
Company Secretary
ACS Membership No: 7875

Registered Office:
J P Software Park, Plot No 25, Sy. No 13, 14,17,18
Konnapana Agrahara Village, Begur Hobli,
Bengaluru-560100.
Email: corporate@tejasnetworks.com

Instructions for participation through Video-Conferencing

In accordance with the applicable provisions of the Companies Act, 2013 read with MCA Circulars, the Company is convening the 23rd AGM of the Shareholders of the Company through VC / OAVM to transact the business as set forth in the Notice of the AGM.

The procedure and the manner for accessing the video-conferencing are as follows:

1. Pursuant to the General Circulars issued by the Ministry of Corporate Affairs and by the Securities and Exchange Board of India (SEBI), Companies are allowed to hold AGM through VC, without the physical presence of Shareholders at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Shareholders attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.tejasnetworks.com/annual-general-meeting.php. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. Shareholders may access by following the steps mentioned below for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
9. Shareholders are encouraged to join the Meeting through Laptops for better experience.
10. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
11. Shareholders who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email ID mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at agm@tejasnetworks.com to reach on or before June 15, 2023. Those Shareholders who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
12. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The speaker shall ensure being connected to a device with a video/camera same along with good internet speed for the same. Those speakers whose names are called out by the Chairman and are not available will not be allowed to speak later to ensure proceedings flow in a smooth manner.

Shareholders Instructions for e-voting

The remote e-voting period begins on June 15, 2023 at 9:00 A.M. and ends on June 19, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Shareholders, whose names appear in the Register of Shareholders / Beneficial Owners as on the record date (cut-off date) i.e June 13, 2023, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being June 13, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Shareholders who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Shareholders who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Shareholders holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   (a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   (d) Shareholders can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@tejasnetworks.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to agm@tejasnetworks.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to agm@tejasnetworks.com. If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.
3. Alternatively members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The details of Directors recommended for appointment / reappointment at the 23rd Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings

N. Ganapathy Subramaniam

Non-Executive Chairman and Non-Independent Director

N. Ganapathy Subramaniam (NGS) is the Chief Operating Officer (COO) of TCS since February 2017. He is also a Non-Executive Chairman and Non-Independent Director of Tata Elxsi Limited since November 2014 and the Non-Independent and Non-Executive Director of Tata Communications Limited since December 2021.

Prior to taking over the COO's role he served as the Executive Vice President and Head of TCS Financial Solutions, a strategic business unit of TCS. In that role, he was responsible for steering the non-linear growth strategies, Products and Platform businesses of TCS for over five years.

He has held many key leadership positions in TCS across Client Delivery, Business Development, integration of businesses and Product Development. As head of Banking and Financial Services practice for TCS for close to five years, he was instrumental in consolidating TCS's knowledge base, calibrating domain centric offerings, creating opportunities and laid the foundation for its verticalization.

He has been a part of TCS and the Indian IT Industry for the past 40 years. He has played a strategic role in several landmark projects that TCS undertook across geographies. He has in-depth knowledge on technology trends and systems policies of leading corporations. As a thought leader, he has spoken in global conferences and actively interacts and shapes opinion among industry analysts.

NGS joined TCS in 1982 after completing his Masters in Mathematics from University of Madras and has had the benefit of attending various training programs including the Executive program for Growing Companies at Stanford University.

Director Identification Number (DIN)	07006215
Designation	Non-Executive Chairman and Non-Independent Director
Date of Birth	May 20, 1959
Qualifications	• Master's in Mathematics from the University of Madras. • Attended the Executive program for Growing Companies at Stanford University
Expertise/Experience	N. Ganapathy Subramaniam worked closely with several global corporations across inancial Services, Telecom, Pharmaceuticals, Retail, Public Services, Manufacturing and Technology companies He contributed to the overall technology strategy, growth, and transformation initiatives at large, which has given him an in-depth knowledge of IT trends and the systems policies of leading corporations. He steered several programmes which are considered 'Important for the nation' in many countries including India and successfully delivered large, complex, multi-country implementations across businesses and hence has the requisite skills and capabilities as identified. He has been a part of TCS and the Indian IT Industry for the past 40 years.
Terms and Conditions of re-appointment	N Ganapathy Subramaniam, will serve as a Director (liable to retire by rotation) in the capacity of Non-Executive Chairman and Non-Independent Director. The re-appointment for another term shall be based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and Members of the Company.
Details of Remuneration sought to be paid	N Ganapathy Subramaniam will be entitled to sitting fees and reimbursement of expenses for attending the meetings of the Board and its Committees, as may be permissible under law from time to time, under relevant and applicable laws, from time to time.

Remuneration last drawn	N Ganapathy Subramaniam was paid a sitting fees of ₹ 0.01 crore for attending the Board/ Committee Meetings for the year ended March 31, 2023.
Date of first appointment on the Board	January 19, 2022
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	N Ganapathy Subramaniam is not related to any Directors, Manager and other Key Managerial Personnel of the Company
Number of Meetings of the Board attended during FY 2022-23	Six
Name of listed entities from which the person has resigned in the past three years	Nil
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not applicable
Other Directorships (All Companies except of Foreign Companies to be mentioned)	Tata Consultancy Services Limited Tata Elxsi Limited Tata Communications Limited TCS Foundation (Section 8 Company) Saankhya Labs Private Limited
Membership / Chairmanship of all Committees of other Boards	**Tata Elxsi Limited** Chairperson-Executive Committee Member- Nomination and Remuneration Committee Member-Risk Management Committee **Tata Consultancy Services Limited** Member-Corporate Social Responsibility Committee Member-Risk Management Committee

For other details such a number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of above director, please refer Corporate Governance Report which is a part of this Annual Report.

Alice G Vaidyan

Non-Executive Independent Director

Alice G Vaidyan, former Chairman and Managing Director of General Insurance Corporation of India and the First Lady CMD in the Indian Insurance industry has over 40 years of experience, and is considered among the foremost experts in the insurance and reinsurance industry, in India and across the globe. During her tenure at the helm of GIC Re, the company became the 10th largest reinsurer globally and was recognised by Forbes as among the 250 best regarded global companies, growth champions and best employers. She also led the largest IPO in the financial sector in India during the successful listing of GIC Re in 2017.

Alive G Vaidyan has won several national and international awards. She was the only Indian in Fortune's Global list (2018) of 50 Most Powerful Women in Business. In April 2019, Alice G Vaidyan was honoured with the Freedom of City of London in recognition of her work to promote insurance ties between India and London. Alice G Vaidyan won the ET PrIme Woman CEO of The Year award in 2019. Business Today recognized her as one of the 30 most powerful women in Indian business successively in 2016, 2017 and 2018. FORTUNE India announced her as the 4th most powerful woman in Business in 2018 and in 2019. ASSOCHAM honoured her with the Leadership Excellence Award in February 2019.

Alice G Vaidyan has served on the Boards of several Indian and global organisations such as Life Insurance Corporation of India, ECGC Limited, Kenindia Assurance Co. Ltd., Indian Register of Shipping, GIC Housing Finance Ltd., GIC Re South Africa, GIC Re Lloyds Syndicate 1947, Asian Reinsurance Corporation, Bangkok, International Insurance Society, New York and National Insurance Academy.

Alice G Vaidyan holds a post graduate degree in English Literature and has received leadership training at Harvard Business School. She is a fellow of the Insurance Institute of India.

Director Identification Number (DIN)	07394437
Designation	Non-Executive Independent Director
Date of Birth	July 22, 1959
Qualifications	Post graduate degree in English Literature and leadership training at Harvard Business School. She is also a fellow of the Insurance Institute of India
Expertise/Experience	Over 40 years of experience in the insurance and reinsurance industry, in India and across the globe has served on the Boards of several Indian and global organisations such as Life Insurance Corporation of India, ECGC Limited, Kenindia Assurance Co. Ltd., Indian Register of Shipping, GIC Housing Finance Ltd., GIC Re South Africa, GIC Re Lloyds Syndicate 1947, Asian Reinsurance Corporation, Bangkok, International Insurance Society, New York and National Insurance Academy.
Terms and Conditions of appointment/re-appointment	Alice G Vaidyan, will serve as a Non-executive, Independent Director of the Company, not liable to retire by rotation for a period of five years from March 29, 2023 till March 28, 2028. The re-appointment for another term shall be based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and Shareholders of the Company.
Details of Remuneration sought to be paid	Alice G Vaidyan will be entitled to receive the sitting fee/ commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.
Remuneration last drawn	Not applicable
Date of first appointment on the Board	March 29, 2023

Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Alice G Vaidyan is not related to any Directors, Manager and other Key Managerial Personnel of the Company
Number of Meetings of the Board attended during FY 2022-23	Not applicable
Name of listed entities from which the person has resigned in the past three years	Nil
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Not applicable
Other Directorships (All Companies except of Foreign Companies to be mentioned)	Geojit Financial Services Limited Air India Express Limited Air India Limited Air Connect Private Limited Union Asset Management Company Private Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited
Membership / Chairmanship of all Committees of other Boards	**Air India** Chairperson – Nomination and Remuneration Committee Member – Audit and Corporate Social Responsibility Committee **Tata AIA Life Insurance Company Limited** Chairperson – Audit and Risk Committee Member – Nomination and Remuneration Committee **Tata AIG General Insurance Company Limited.** Chairperson – Nomination and Remuneration Committee and Policy Holders Committee Member – Audit and Investment Committee Union Asset Management Company Private Limited Member – Audit Committee

For other details such a number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of above director, please refer Corporate Governance Report which is a part of this Annual Report.

Anand S Athreya

Executive Director *(Managing Director and CEO designate)* and Managing Director and CEO

Anand S Athreya has more than 25 years of highly technical and managerial experience in telecom equipment, networking, and software industries. He was the Executive Vice President & Chief Development Officer of Juniper Networks since 2017 and he served as Senior Vice-President of the Routing Business Unit for 3 years prior to his current role. Anand S Athreya was with Juniper Networks since 2004 until November 2022. Anand S Athreya has consistently delivered successful products to market for Juniper customers, including J-Series, Junos Security Software, Branch SRX, MX, PTX, and ACX Systems, and has been instrumental in securing key customer wins around the globe.

Anand S Athreya earned his B.E. in Electrical Engineering from Bangalore University, India, and M. Tech in Computer Science and Engineering from Osmania University, India. He later moved to USA and obtained Master's in Business Administration (Hons.) from National University, CA. He also attended the Advanced Management Program at Harvard Business School.

Anand S Athreya is an industry veteran, having been a leader in world-class global Silicon, Systems & Software Engineering, and global innovation led R&D and product development for the networking world. Anand has led the delivery of several industry leading and award-winning products for the telecommunication industry and the Company would benefit from his leadership and rich experience.

Director Identification Number (DIN)	10118880
Designation	Executive Director *(Managing Director and CEO designate)* from April 21, 2023 and Managing Director and CEO from June 21, 2023 to April 20, 2028
Date of Birth	August 26, 1963
Qualifications	• B.E. in Electrical Engineering from Bangalore University, India, • M. Tech in Computer Science and Engineering from Osmania University, India. • Master's in Business Administration (Hons.) from National University, CA. • Attended the Advanced Management Program at Harvard Business School
Expertise/Experience	Anand S Athreya has more than 25 years of highly technical and managerial experience in telecom equipment, networking, and software industries
Terms and Conditions of appointment / re-appointment	Refer Terms and Conditions of appointment furnished in the Explanatory statement.
Details of Remuneration sought to be paid	Refer Terms and Conditions of appointment furnished in the Explanatory statement.
Remuneration last drawn	Not applicable
Date of first appointment on the Board	April 21, 2023
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Anand S Athreya is not related to any Directors, Manager and other Key Managerial Personnel of the Company
Number of Meetings of the Board attended during FY 2022-23	Not applicable
Name of listed entities from which the person has resigned in the past three years	Nil
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not applicable
Other Directorships (All Companies except of Foreign Companies to be mentioned)	Not applicable
Membership / Chairmanship of all Committees of other Boards	Not applicable

For other details such a number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of above director, please refer Corporate Governance Report which is a part of this Annual Report.

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TEJAS NETWORKS

TEJAS NETWORKS LIMITED

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