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

TEJAS® NETWORKS

June 28, 2021

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,
Fort, Mumbai – 400 001
BSE Scrip Code: 540595

Dear Sir/Madam,

Re: 21st Annual General Meeting and Voting Results - Compliances under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015

In continuation to our letter dated June 25, 2021, pertaining to the 21st AGM held on June 25, 2021, please find enclosed the following:

1. Proceedings as required under the Regulation 30, Part A of Schedule - III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Chairman's speech as read out during the AGM as Annexure – I. The proceedings and Chairman's speech was filed with the exchanges on June 25, 2021 and also available on the Company's website at www.tejasnetworks.com.

2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure – II.

3. Report of the Scrutinizer dated June 28, 2021, pursuant to Section 108 of the Companies Act, 2013 and Rule 20 (4) (xii) of the Companies (Management and Administration), Rules 2014 as Annexure – III.

4. Copy of the Annual Report for the financial year 2020-21 and Business responsibility report as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of the annual report enclosed herewith as Annexure – IV. The same has been filed with the Stock Exchanges on June 2, 2021 and also available on the Company's website at www.tejasnetworks.com.

Kindly take the above on record.

Yours sincerely

For Tejas Networks Limited

TEJAS NETWORKS LIMITED * BANGALORE *

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

Encl: as above

TEJAS® NETWORKS

SUMMARY OF THE PROCEEDINGS OF THE 21st ANNUAL GENERAL MEETING OF TEJAS NETWORKS LIMITED HELD ON FRIDAY, JUNE 25, 2021 AT 3.00 P.M. (IST) THROUGH VIDEO-CONFERENCE:

The 21st Annual General Meeting (AGM) of the Members of Tejas Networks Limited ('the Company') was held on Friday, June 25, 2021 at 3.00 P.M (IST) through video conference and other audio visual means (VC) in compliance to the General Circulars issued by the Ministry of Corporate Affairs and by the Securities and Exchange Board of India.

Directors / Key Managerial Personnel (in attendance)

S.No	Name of the Director	Position
1	Balakrishnan V	**Board** Non-Executive, Independent Director and Chairman of the Board **Committee of the Board** • Risk Committee - Chairman • Audit Committee - Member • Nomination & Remuneration Committee - Member • Stakeholders Relationship Committee - Member • Corporate Social Responsibility Committee - Member *Joined through VC from Bengaluru, India*
2	Sanjay Nayak	**Board** Managing Director and Chief Executive Officer **Committee of the Board** • Stakeholders Relationship Committee - Member • Corporate Social Responsibility Committee - Member *Joined through VC from Bengaluru, India*
3	Dr. Gururaj Deshpande	**Board** Non-Executive and Non - Independent Director **Committee of the Board** • Stakeholders Relationship Committee - Chairman • Nomination & Remuneration Committee - Member • Risk Committee - Member *Joined through VC from Boston, USA*

4	Amb. Leela K Ponappa	**Board** Non-Executive and Independent Director **Committee of the Board** • Nomination & Remuneration Committee - Chairman • Corporate Social Responsibility Committee - Chairman • Audit Committee - Member • Risk Committee - Member *Joined through VC from Noida, India*
5	Chandrashekhar Bhaskar Bhave	**Board** Non-Executive and Independent Director **Committee of the Board** • Audit Committee - Chairman • Nomination & Remuneration Committee - Member • Risk Committee - Member *Joined through VC from Bengaluru, India*
6	Arnob Roy	**Board** Whole-time Director and Chief Operating Officer **Committee of the Board** • Stakeholders Relationship Committee - Member • Corporate Social Responsibility Committee - Member *Joined through VC from Bengaluru, India*
7	Venkatesh Gadiyar	Chief Financial Officer *Joined through VC from Bengaluru, India*
8	N R Ravikrishnan	General Counsel, Chief Compliance Officer and Company Secretary *Joined through VC from Bengaluru, India*

Other representatives (in attendance)

S.No	Name of the representative	Position
1	M/s. Price Waterhouse Chartered Accountants LLP	Statutory Auditors *Joined through VC from Bengaluru, India*
2	M/s. Singhvi, Dev and Unni, Chartered Accountants	Internal Auditors *Joined through VC from Bengaluru, India*
3	C. Dwarakanath ,Company Secretary in Practice & IP	Secretarial Auditor and Scrutinizer *Joined through VC from Bangalore, India*
4	M/s. GNV & Associates, Cost & Management Accountants	Cost Auditor *Joined through VC from Bangalore, India*

The meeting commenced at 3:00 P.M. (IST) and concluded at 4:40 P.M. (IST) (including time allowed for e-voting at AGM).

Pursuant to the Articles of Association of the Company, Balakrishnan V, being the Chairman of the Board took the Chair and conducted the proceedings of the Meeting. After ascertaining that the requisite quorum was present, called the meeting to order. The Chairman welcomed all members, auditors and other invitees joining over VC and informed the Members that the meeting is being held through video-conference in accordance with the circulars and guidelines issued by MCA and SEBI. The Chairman then requested his colleagues to introduce themselves.

The Chairman thereafter requested the Company Secretary to brief the Members regarding the arrangements made for the meeting and also the facility to cast their vote electronically, on all resolutions set forth in the Notice. It was further informed that there would be no voting by show of hands.

The Company Secretary informed that the Company has enabled the Members to participate at the 21st AGM through the video-conference facility provided by National Securities Depositories Limited (NSDL). The proceedings of the AGM are also being web-casted live for all the Members. It was further informed that the Members have been provided with the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The Members joining the meeting through video-conference, who have not already cast their vote by means of remote e-voting, may vote through e-voting facility provided at the AGM.

The Chairman's speech was followed by a presentation by Sanjay Nayak, Managing Director and Chief Executive Officer. Further, N R Ravikrishnan, Company Secretary, provided the summary of the statutory auditors' report and secretarial audit report for the financial year 2020-21.

The following items of business, as provided in the Notice of the 21st Annual General Meeting were transacted at the meeting. Before each resolution was proposed, the Chairman explained the objective and implication of the same. Shareholders were provided a facility to ask questions or express their views through VC and audio on the aforesaid resolutions. Clarifications were provided to the queries raised by the members.

Tejas Networks Ltd.
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Ordinary Business

S.No	Particulars	Type of Resolution
1	Consider, receive and adopt the Audited Standalone Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.	Ordinary Resolution
2	Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation.	Ordinary Resolution

Special Business

3	Ratification of the Remuneration of Cost Auditors.	Ordinary Resolution
4	Payment of Remuneration to the Non-Executive and Independent Directors.	Ordinary Resolution

The Chairman invited comments and questions from the Members. Queries raised by the Members were clarified and answered by the Chairman, Managing Director and Chief Executive Officer and Whole-time Director and Chief Operating Officer to the satisfaction of the Members present at the meeting. The Chairman also stated that any other query that the Member(s) may have, they can contact the Company Secretary who will do the needful as appropriate.

The Board of Directors had appointed C. Dwarakanath, Company Secretary in Practice (FCS- 7723 and CP No: 4847) as the Scrutinizer to supervise the e-voting process. The Chairman informed the members that the consolidated results of e-voting would be announced within two working days from the conclusion of the AGM of the Company and be intimated to the Stock Exchanges and made available on the website of the Company and NSDL.

The Chairman authorized the Company Secretary to declare the voting results, intimate the stock exchanges and place the same on the website of the Company.

The Chairman then thanked the members present and declared the meeting as closed.

Yours sincerely

For TEJAS NETWORKS LIMITED

TEJAS NETWORKS LIMITED ★ BANGALORE ★

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

Chairman's Speech

Dear Shareholders,

It goes without saying that these are extraordinary times. Just as our hearts go out to everyone affected by Covid-19, we are grateful to all our first responders and medical professionals who are risking their lives to keep us safe. We are also grateful to all our employees who continued to deliver on our commitments to all stakeholders despite these challenging times.

FY 2021 was a year of paradoxes for the telecommunications industry. While the macro-economic environment and government restrictions posed severe challenges to our operations, the global movement towards digitisation with increased spending on network capacities by operators provided a strong tailwind to our business.

During the year, it became clear that a robust telecommunications infrastructure is an essential service for delivering connectivity to people, homes, offices, and governments, and which keeps our lives going on in as normal a way as possible. While it was always known that digitisation and a highly connected world were the way forward, COVID-19 fast-forwarded this transformation and increased the demand for reliable, high-bandwidth services. To deliver these high-bandwidth services, telecom and internet service providers need to make capital investments in optical transmission and fiber broadband access equipment, which is the focus area of your company.

I am happy to report that during FY 2021, your company showed a solid turnaround in financial performance with robust year-on-year growth in our revenues while we returned to profitability. We improved our performance on almost all financial parameters while continuing to be a zero-debt company. As a deep-technology company, we continued our investments in R&D and maintained our focus on innovation to create globally competitive products. Since all our R&D manpower is located in India, we get a significant competitive cost advantage as compared to our global peers. Over the years, we have built a globally competitive portfolio of Software-Defined-Hardware products, which are well-positioned for building high-capacity optical backbone networks as well as high-speed broadband access networks.

Over the past few years, we have increased our focus on international sales to tap the large global opportunity and to reduce our over-dependence on the Indian market by geographically diversifying our customer base. We are happy to report that during FY 2021, we significantly increased our international business, both on absolute levels as well as a percentage of our total revenues. Our sales investments and focus on Africa, South-East Asia, and the Americas are expected to continually grow our international business. What also helps is that many of the countries in emerging markets have India-like needs, and our success in India serves as a strong reference in winning new customers in these markets.

With telecom networks becoming an integral part of our daily lives and increased connectivity of internet-of-things (IoT), there is heightened sensitivity around cyber-security globally and the need to build secured telecom networks. As a result, sourcing of trusted telecom equipment has now become a key geopolitical concern for many countries. With our products being deployed in over 75 countries, we have a great opportunity to become a trusted and reliable global source for leading-edge, yet cost-competitive telecom products.

India continues to be one of the largest telecom markets in the world and is our home market, from which we get a majority of our revenues. While India has 13% of the world's telecom subscribers and is one of the biggest consumers of mobile data in the world, the capex spend by Indian telecom operators is disproportionately low and is only 5% of the global equipment spend. With an increased demand for highly reliable, high-speed home/office fiber-broadband connectivity, the impending 5G rollouts, and the stabilisation of competitive intensity amongst telcos, we expect a robust capex cycle in the years to come.

During FY 2021, our India business grew healthily across both government and private segments. We see a strong intent from the Government to promote products developed with Indian R&D and IPR and which are manufactured in India. We believe that supportive Government policies such as the Product Linked Incentive (PLI) Scheme, the mandate for all telecom service providers (both Government and private) to source only trusted telecom equipment, and further strengthening of Preference to Make in India (PMI) policy, clearly signals that the Government wants to make India a global telecom equipment manufacturing hub, especially in the light of the new geopolitical situation.

To conclude, we have the right product mix at competitive price points; great R&D team which continues to develop leading-edge technologies; highly favorable geopolitical situation where countries are seeking trusted telecom products; increased digital adoption driving increasing investments in network capacities, and more importantly, favorable Indian Government policies and intent. All these combined together set a great platform for our future growth.

On behalf of the Board of Directors of Tejas Networks, we thank the Government of India, the Government of Karnataka, and all Government agencies, Governments of various countries where we have business operations and we look forward to their continued support. We are grateful to our customers, employees, shareholders, suppliers, and bankers, all of whom have supported us during these challenging times. I wish you all good health and inner strength to tide over these testing times.

Warm regards,

Balakrishnan V
Chairman, Board of Directors

Name of the Company			**Tejas Networks Limited**					
Resolution Required : (Ordinary)			**1 - Adoption of Financial Statements**					
Whether promoter/ promoter group are interested in the agenda/resolution?			**NO**					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes –Against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		[1]	**[2]**	**[3]={[2]/[1]}*100**	**[4]**	**[5]**	**[6]={[4]/[2]}*100**	**[7]={[5]/[2]}*100**
Promoter and Promoter Group	E-Voting	0	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**0**	**0.0000**	**0**	**0**	**0.0000**	**0.0000**
Public Institutions	E-Voting	25893938	20205185	78.0306	20205185	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**20205185**	**78.0306**	**20205185**	**0**	**100.0000**	**0.0000**
Public Non Institutions	E-Voting	67545268	26953481	39.9043	26951692	1789	99.9934	0.0066
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**26953481**	**39.9043**	**26951692**	**1789**	**99.9934**	**0.0066**
Total		**93439206**	**47158666**	**50.4699**	**47156877**	**1789**	**99.9962**	**0.0038**

Name of the Company			Tejas Networks Limited					
Resolution Required : (Ordinary)			2 - Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation					
Whether promoter/ promoter group are interested in the agenda/resolution?			NO					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes –Against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		[1]	**[2]**	**[3]={[2]/[1]}*100**	**[4]**	**[5]**	**[6]={[4]/[2]}*100**	**[7]={[5]/[2]}*100**
Promoter and Promoter Group	E-Voting	0	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**0**	**0.0000**	**0**	**0**	**0.0000**	**0.0000**
Public Institutions	E-Voting	25893938	20205185	78.0306	20205185	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**20205185**	**78.0306**	**20205185**	**0**	**100.0000**	**0.0000**
Public Non Institutions	E-Voting	67545268	26953291	39.9040	26950680	2611	99.9903	0.0097
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**26953291**	**39.9040**	**26950680**	**2611**	**99.9903**	**0.0097**
Total		**93439206**	**47158476**	**50.4697**	**47155865**	**2611**	**99.9945**	**0.0055**

Name of the Company			Tejas Networks Limited					
Resolution Required : (Ordinary)			3 - Ratification of the Remuneration of Cost Auditors					
Whether promoter/ promoter group are interested in the agenda/resolution?			NO					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	0	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**0**	**0.0000**	**0**	**0**	**0.0000**	**0.0000**
Public Institutions	E-Voting	25893938	20205185	78.0306	20205185	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**20205185**	**78.0306**	**20205185**	**0**	**100.0000**	**0.0000**
Public Non Institutions	E-Voting	67545268	26951871	39.9019	26949332	2539	99.9906	0.0094
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**26951871**	**39.9019**	**26949332**	**2539**	**99.9906**	**0.0094**
Total		**93439206**	**47157056**	**50.4682**	**47154517**	**2539**	**99.9946**	**0.0054**

Name of the Company			**Tejas Networks Limited**					
Resolution Required : (Ordinary)			**4 - Approval of payment of Remuneration to the Non-Executive and Independent Directors**					
Whether promoter/ promoter group are interested in the agenda/resolution?			**NO**					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes –Against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		[1]	**[2]**	**[3]={[2]/[1]}*100**	**[4]**	**[5]**	**[6]={[4]/[2]}*100**	**[7]={[5]/[2]}*100**
Promoter and Promoter Group	E-Voting	0	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**0**	**0.0000**	**0**	**0**	**0.0000**	**0.0000**
Public Institutions	E-Voting	25893938	20205185	78.0306	19809626	395559	98.0423	1.9577
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**20205185**	**78.0306**	**19809626**	**395559**	**98.0423**	**1.9577**
Public Non Institutions	E-Voting	67545268	26951871	39.9019	26937683	14188	99.9474	0.0526
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**26951871**	**39.9019**	**26937683**	**14188**	**99.9474**	**0.0526**
Total		**93439206**	**47157056**	**50.4682**	**46747309**	**409747**	**99.1311**	**0.8689**

Dwarakanath C
Company Secretary in Practice &
Insolvency Professional
B.Com., LL.B., FCS., IP

FORM NO. MGT-13
Report of Scrutinizer

[Pursuant to section 108 and 109 of the Companies Act, 2013 read with rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015]

To,

The Chairman of the 21st Annual General Meeting of the equity shareholders of **Tejas Networks Limited** (the "**Company**") held on Friday, June 25, 2021 at 3.00 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Dear Sir,

I, Dwarakanath C, Company Secretary in Practice, appointed as Scrutinizer for the purpose of scrutinizing the votes cast through electronically at the 21st Annual General Meeting of the equity shareholders of Tejas Networks Limited, held on Friday, June 25, 2021 at 3.00 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), submit my report as under:

1. The combined scrutinizer's report on remote e-Voting and electronic voting on the day of Annual General Meeting is annexed herewith: Annexure A

2. The result of the electronic voting on the day of AGM is as under:

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C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

Resolution No. 1 – Adoption of Financial Statements - Ordinary Resolution

To receive, consider and adopt:

a. The Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.

(i) Voting "***in Favour***" of the resolution

Total Number of members who exercised their votes	Total Number of votes cast by them (no. of shares)	% of total number of valid votes cast
13	26,80,678	100

(ii) Voted "***against***" the resolution

Total Number of members who exercised their votes	Total Number of votes cast by them (no. of shares)	% of total number of valid votes cast
00	00	00

(iii) *Invalid Votes*

Total Number of members who exercised their votes whose votes were declared invalid	Total Number of votes cast by them (shares)
00	00

C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

Resolution No. 2 – Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation - Ordinary Resolution

(i) Voting "***in Favour***" of the resolution

Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
13	26,80,678	100

(ii) Voted "***against***" the resolution

Total Number of members who exercised their votes	**Total Number of votes cast by them(shares)**	**% of total number of valid votes cast**
00	00	00

(iii) *Invalid Votes*

Total Number of members who exercised their votes whose votes were declared invalid	**Total Number of votes cast by them (shares)**
00	00

C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

Resolution No. 3 - Ratification of the Remuneration of Cost Auditors – Ordinary Resolution

(i) Voting "***in Favour***" of the resolution

Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
13	26,80,678	100

(ii) Voted "***against***" the resolution

Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
00	00	00

(iii) *Invalid Votes*

Total Number of members who exercised their votes whose votes were declared invalid	**Total Number of votes cast by them (shares)**
00	00

C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

Resolution No. 4 - Approval of payment of Remuneration to the Non-Executive and Independent Directors – Ordinary Resolution

(iv) Voting "***in Favour***" of the resolution

Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
13	26,80,678	100

(v) Voted "***against***" the resolution

Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
00	00	00

(vi) *Invalid Votes*

Total Number of members who exercised their votes whose votes were declared invalid	**Total Number of votes cast by them (shares)**
00	00

C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

3. Soft copy containing a list of equity shareholders who voted electronically "FOR", "AGAINST" and those whose votes were declared invalid for each resolution has been e-mailed to the Company Secretary of the Company.

4. All other relevant records were sealed and handed over to the Company Secretary for safe keeping.

Thanking You,

Yours faithfully,

C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

Dwarakanath C
Company Secretary in Practice
(FCS: 7723 C.P. No: 4847)
UDIN No. F007723C000525680

Place: Bengaluru
Date: 28th June 2021

Encl: As above

Dwarakanath C
Company Secretary in Practice &
Insolvency Professional
B.Com., LL.B., FCS., IP

Annexure-A

COMBINED SCRUTINIZER'S REPORT ON REMOTE E-VOTING AND ELECTRONIC VOTING ON THE DAY OF ANNUAL GENERAL MEETING

To,

The Chairman of the 21st Annual General Meeting of the equity shareholders of **Tejas Networks Limited** (the "**Company**") held on Friday, June 25, 2021 at 3.00 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Dear Sir,

I, Dwarakanath C, Company Secretary in Practice, was appointed as Scrutinizer pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the purpose of:

a. Scrutinizing the remote e-voting process under the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Voting through electronic voting system (AGM Voting) at the 21st Annual General Meeting ('AGM');

The management of the Company is responsible to ensure compliance with the requirement of the Companies Act, 2013, Rules and circulars issued by Ministry of Corporate Affairs ('MCA') and Securities Exchange Board of India ('SEBI') relating to conducting of AGM through VC/OAVM and voting by electronic means for the resolutions contained in the Notice of the 21st Annual General Meeting of the Equity Shareholders held and conducted on 25th June 2021. My responsibility as a Scrutinizer for the voting process of voting by electronic means is restricted to making a Consolidated Scrutinizer's Report of the votes cast "in favor" and/or "against" the resolution stated in the notice of the AGM, based on the report generated from the e-voting system provided by National Securities Depository Limited (the "**NSDL**") the Agency Authorized under the Rules and engaged by the Company to provide remote e-voting facilities and e-voting facilities to vote at the AGM ("AGM Voting").

C. DWARAKANATH
FCS 7723
C.P. 4847
Company Secretary in Practice

#31, "Vidhya Bhavan", 3rd Floor, Rear Block, Opp. Karanji Anjaneya Temple, W.A.T Street, Basavanagudi, Bengaluru-560 004.
Phone : 080 41203012 | Mobile : +91 94483 62485 | Email : dwarakanath.c@gmail.com, csworkgroup.dwarakanath@gmail.com

We submit our report as under:

1. The remote E-Voting period remained open from 9.00 a.m. (IST) Sunday, June 20, 2021 up to 5.00 p.m. (IST) Thursday, June 24, 2021.

2. The Annual Report, the Notice of Annual General Meeting and the e-voting instructions slip were sent only by the electronic mode (e-mail) to those members whose email addresses were registered with the Company / Depository Participants / Depositories pursuant to MCA Circular No.20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

3. The voting rights were reckoned as on Friday, June 18, 2021 being the Cut-off date for the purpose of deciding the entitlements of members at the remote e-voting.

4. After the conclusion of the Annual General Meeting, the votes cast through remote e-voting were unblocked on June 26, 2021 at 11.54 A.M. in the presence of two witnesses.

5. The shareholders present during the AGM through VC voted through e-voting facility provided by NSDL.

6. As per the information given by the Company / RTA the names of the shareholders who had voted by remote e-voting through the facility provided by NSDL had been blocked and only those members who were present at the AGM through VC and who had not voted on remote e-voting were allowed to cast their votes through e-voting system during the AGM.

7. Based on the data provided by NSDL e-voting system, the total votes cast in favour or against all the resolutions proposed in the Notice of the AGM are as under:

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C.P. 4847
Company Secretary in Practice

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Resolution No. 1 – Adoption of Financial Statements - Ordinary Resolution

To receive, consider and adopt:

a. The Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.

(i) Voting ***"in Favour"*** of the resolution

	Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
Remote e- voting	291	4,44,76,199	94.3118
E-voting on the day of AGM	13	26,80,678	5.6844
Total	**304**	**4,71,56,877**	**99.9962**

(ii) Voted ***"against"*** the resolution

	Total Number of members who exercised their votes	**Total Number of votes cast by them (no. of shares)**	**% of total number of valid votes cast**
Remote e- voting	11	1,789	0.0038
E-voting on the day of AGM	0	0	0
Total	**11**	**1,789**	**0.0038**

(iii) *Invalid Votes*

	Total Number of members who exercised their votes whose votes were declared invalid	**Total number of votes cast by them (shares)**
Remote e- voting	00	00
E-voting on the day of AGM	00	00
Total	**00**	**00**

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Resolution No. 2 – Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation - Ordinary Resolution

(i) Voting ***"in Favour"*** of the resolution

	Total Number of members who exercised their votes	Total Number of votes cast by them (shares)	% of total number of valid votes cast
Remote e- voting	281	4,44,75,187	94.3101
E-voting on the day of AGM	13	26,80,678	5.6844
Total	**294**	**4,71,55,865**	**99.9945**

(ii) Voted ***"against"*** the resolution

	Total Number of members who exercised their votes	Total Number of votes cast by them (shares)	% of total number of valid votes cast
Remote e- voting	19	2,611	0.0055
E-voting on the day of AGM	0	0	0
Total	**19**	**2,611**	**0.0055**

(iii) *Invalid Votes*

	Total Number of members who exercised their votes whose votes were declared invalid	Total number of votes cast by them (shares)
Remote e- voting	00	00
E-voting on the day of AGM	00	00
Total	**00**	**00**

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C.P. 4847
Company Secretary in Practice

Resolution No. 3 – Ratification of the Remuneration of Cost Auditors – Ordinary Resolution

(i) Voting "***in Favour***" of the resolution

	Total Number of members who exercised their votes	Total Number of votes cast by them (no. of shares)	% of total number of valid votes cast
Remote e- voting	282	4,44,73,839	94.3100
E-voting on the day of AGM	13	26,80,678	5.6846
Total	**295**	**4,71,54,517**	**99.9946**

(ii) Voted "***against***" the resolution

	Total Number of members who exercised their votes	Total Number of votes cast by them (shares)	% of total number of valid votes cast
Remote e- voting	16	2,539	0.0054
E-voting on the day of AGM	0	0	0
Total	**16**	**2,539**	**0.0054**

(iii) *Invalid Votes*

	Total Number of members who exercised their votes whose votes were declared invalid	Total number of votes cast by them (shares)
Remote e- voting	00	00
E-voting on the day of AGM	00	00
Total	**00**	**00**

DWARAKANATH C
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Company Secretary in Practice

Resolution No. 4 – Approval of payment of Remuneration to the Non-Executive and Independent Directors – Ordinary Resolution

(i) Voting ***"in Favour"*** of the resolution

	Total Number of members who exercised their votes	Total Number of votes cast by them (no. of shares)	% of total number of valid votes cast
Remote e- voting	256	4,40,66,631	93.4465
E-voting on the day of AGM	13	2680678	5.6846
Total	**269**	**4,67,47,309**	**99.1311**

(ii) Voted ***"against"*** the resolution

	Total Number of members who exercised their votes	Total Number of votes cast by them (shares)	% of total number of valid votes cast
Remote e- voting	42	4,09,747	0.8689
E-voting on the day of AGM	0	0	0
Total	**42**	**4,09,747**	**0.8689**

(iii) *Invalid Votes*

	Total Number of members who exercised their votes whose votes were declared invalid	Total number of votes cast by them (shares)
Remote e- voting	00	00
E-voting on the day of AGM	00	00
Total	**00**	**00**

C. DWARAKANATH
FCS 7723
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Company Secretary in Practice

8. A list of Equity shareholders who voted "FOR", "AGAINST" the resolutions (Both through Remote E-voting and E-voting on the day of AGM) has been handed over to the Company Secretary.

9. The electronic data and all other relevant records relating to the e-voting shall remain in our safe custody and shall be handed over to the Company Secretary for preserving safely after the Chairman considers, approves and signs the Minutes of the aforesaid Annual General Meeting.

A separate Report of the Scrutinizer in Form MGT-13, of even date, has been issued for the results of the electronic voting at the AGM.

Thanking you.

Yours faithfully,

C. DWARAKANATH FCS 7723 C.P. 4847 Company Secretary in Practice

Dwarakanath C
Company Secretary in Practice
(FCS: 7723 C.P. No: 4847)

Date: 28th June 2021

TEJAS NETWORKS LIMITED BANGALORE

N R Ravikrishnan
General Counsel, Chief Compliance Officer
and Company Secretary
ACS Membership No: 7875

Date: June 28, 2021

TEJAS® NETWORKS

POWERING GLOBAL DATA AND BROADBAND NETWORKS

Annual Report 2020-21

Table of Contents

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 Us

About Us

OUR VISION

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

OUR MISSION

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

OUR FOCUS

As a leading global optical, broadband and data networking products company, our focus on deep technology and R&D has enabled us to power the broadband networks of telecommunications service providers, utilities, defence and government entities the world over.

REVENUES*

₹ 515 Cr

PAT

₹ 38 Cr

BASIC EPS
(par value ₹10 each)

₹ 4.05

CASH & CASH EQUIVALENTS

₹ 364 Cr

Financial information are based on consolidated financials
* Net of taxes and component sales

Snapshot of FY 2020-21

Based on Ind AS Consolidated Financial Statements

In ₹ Crore

Particulars	FY 2021	FY 2020	Change(%)
Financial Performance			
Revenue (net of taxes and component sales)	514.82	379.79	36
Gross Profit	212.13	135.24	57
Operating profit/(loss) after depreciation & before impairment	2.81	(94.63)	103
Operating profit/(loss) after depreciation & impairment	2.81	(164.50)	102
Profit/(Loss) before tax	22.52	(138.57)	116
Profit/(Loss) after tax	37.54	(237.12)	116
EPS (par value of ₹ 10 each) : Basic	4.05	(25.76)	116
Dilute	3.99	(25.76)	115

Particulars	FY 2021	FY 2020	Change
Financial Position			
Cash and cash equivalents[(1)]	364.43	280.27	84.16
Net current assets[(2)]	447.38	535.17	(87.79)
Fixed assets (including assets under development)[(3)]	119.40	84.35	35.05
Total Assets	1,311.88	1,241.15	70.73
Total Equity	1,134.20	1,080.94	53.26
Net cash generated from operations	157.65	0.61	157.04
Free cash inflow/(outflow)	75.13	(92.16)	167.29
DSO (days)	259	382	(123)
DPO (days)	115	117	(2)
Inventory (days)	134	211	(77)
Net Working capital (days)	281	452	(171)

[(1)] *Cash and cash equivalents include fixed deposits under other bank balances, deposits with financial institutions and investment in mutual funds.*

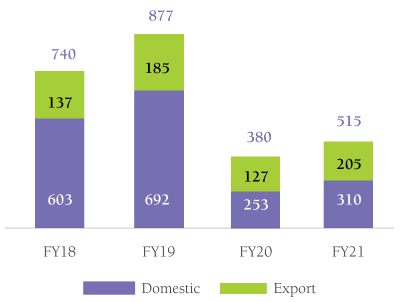
[(2)] *Excluding the current assets considered in cash and cash equivalents.*

[(3)] *Excludes right of use assets.*

Financial Trends

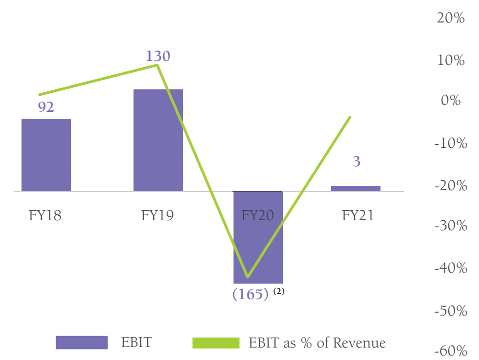
Revenue[1]

In ₹ Crore



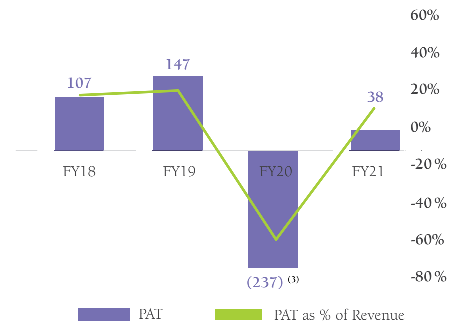
EBIT

In ₹ Crore



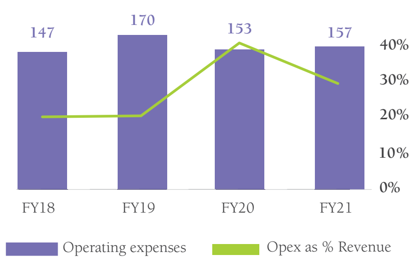
Profit/(Loss) After Tax

In ₹ Crore



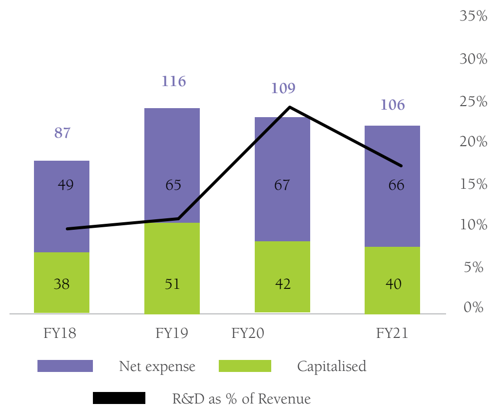
Operating Expenses (Net)

In ₹ Crore



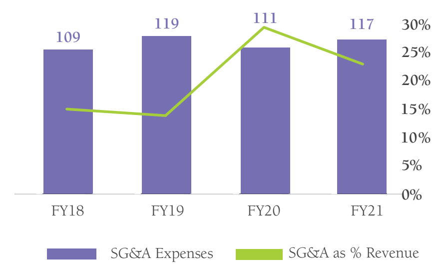
R&D Expenses

In ₹ Crore



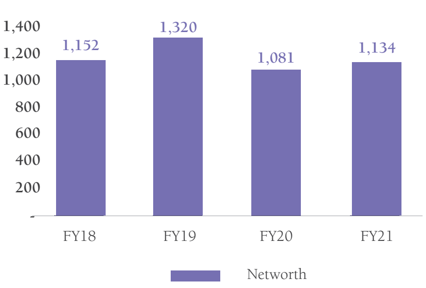
SG&A Expenses

In ₹ Crore



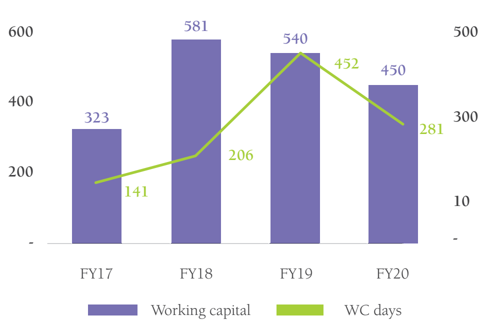
Net Worth

In ₹ Crore



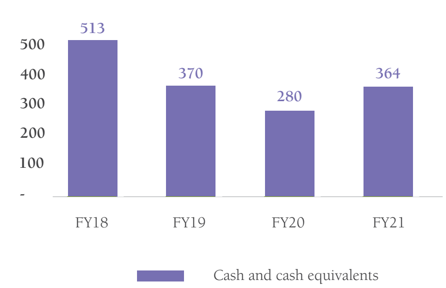
Working Capital

In ₹ Crore



Cash and cash equivalents [4]

In ₹ Crore



[1] *Net of taxes and component sales.*

[2] *Includes the impact of an impairment loss of ₹ 70 crore on intangible assets.*

[3] *Includes the impact of an impairment loss of ₹ 70 crore on intangible assets and ₹ 99 crore of reversal of deferred tax assets.*

[4] *Cash and cash equivalents include fixed deposits under other bank balances, deposits with financial institutions and investment in mutual funds.*

Chairman's Message

Dear Shareholders,

It goes without saying that these are extraordinary times. Just as our hearts go out to everyone affected by Covid-19, we are grateful to all our first responders and medical professionals who are risking their lives to keep us safe. We are also grateful to all our employees who continued to deliver on our commitments to all stakeholders despite these challenging times.

FY 2021 was a year of paradoxes for the telecommunications industry. While the macro-economic environment and government restrictions posed severe challenges to our operations, the global movement towards digitisation with increased spending on network capacities by operators provided a strong tailwind to our business.

During the year, it became clear that a robust telecommunications infrastructure is an essential service for delivering connectivity to people, homes, offices, and governments, and which keeps our lives going on in as normal a way as possible. While it was always known that digitisation and a highly connected world were the way forward, COVID-19 fast-forwarded this transformation and increased the demand for reliable, high-bandwidth services. To deliver these high-bandwidth services, telecom and internet service providers need to make capital investments in optical transmission and fiber broadband access equipment, which is the focus area of your company.

I am happy to report that during FY 2021, your company showed a solid turnaround in financial performance with robust year-on-year growth in our revenues while we returned to profitability. We improved our performance on almost all financial parameters while continuing to be a zero-debt company.

As a deep-technology company, we continued our investments in R&D and maintained our focus on innovation to create globally competitive products. Since all our R&D manpower is located in India, we get a significant competitive cost advantage as compared to our global peers. Over the years, we have built a globally competitive portfolio of Software-Defined-Hardware products, which are well-positioned for building high-capacity optical backbone networks as well as high-speed broadband access networks. We have also invested in creating wireless access products based on the latest LTE technology, which is the base for 4G and 5G radio networks. We have seen a positive uptake in demand for our products and we believe that we are well-positioned to continue winning new customers and gaining market share in existing accounts.

Having created a strong portfolio of world-class products, it has been our endeavor to increase our market presence in other countries, that are upgrading and expanding their telecom networks. Over the past few years, we have increased our focus on international sales to tap the large global opportunity and to reduce our over-dependence on the Indian market by geographically diversifying our customer base. We are happy to report that during FY 2021, we significantly increased our international business, both on absolute levels as well as a percentage of our total revenues. Our sales investments and focus on Africa, South-East Asia, and the Americas are expected to continually grow our international business. What also helps is that many of the countries in emerging markets have ***India-like*** needs, and our success in India serves as a strong reference in winning new customers in these markets.

With telecom networks becoming an integral part of our daily lives and increased connectivity of internet-of-things (IoT), there is heightened sensitivity around cyber-security globally and the need to build secured telecom networks. As a result, sourcing of trusted telecom equipment has now become a key geopolitical concern for many countries. With our products being deployed in over 75 countries, we have a great opportunity to become a trusted and reliable global source for leading-edge, yet cost-competitive telecom products.

As India's leading telecom equipment company with a focus on design-led manufacturing, we are fully capable of stepping up and becoming a leading source of designed-and-made-in India products for the world.

India continues to be one of the largest telecom markets in the world and is our home market, from which we get a majority of our revenues. While India has 13% of the world's telecom subscribers and is one of the biggest consumers of mobile data in the world, the capex spend by Indian telecom operators is disproportionately low and is only 5% of the global equipment spend. With an increased demand for highly reliable, high-speed home/office fiber-broadband connectivity, the impending 5G rollouts, and the stabilisation of competitive intensity amongst telcos, we expect a robust capex cycle in the years to come. During FY 2021, our India business grew healthily across both government and private segments.. We are well established as one of the leading suppliers of optical networking and broadband access equipment to private telcos as well as Government networks.

We are enthused by the Honourable Prime Minister of India's call to build an ***Atmanirbhar Bharat*** (self-reliant India) in critical areas of technologies such as telecom, which has long-term security as well as economic significance. We see a strong intent from the Government to promote products developed with Indian R&D and IPR and which are manufactured in India. We believe that supportive Government policies such as the Product Linked Incentive (PLI) Scheme, the mandate for all telecom service providers (both Government and private) to source only trusted telecom equipment, and further strengthening of Preference to Make in India (PMI) policy, clearly signals that the Government wants to make India a global telecom equipment manufacturing hub, especially in the light of the new geopolitical situation.

To conclude, we have the right product mix at competitive price points; great R&D team which continues to develop leading-edge technologies; highly favorable geopolitical situation where countries are seeking trusted telecom products; increased digital adoption driving increasing investments in network capacities, and more importantly, favorable Indian Government policies and intent. All these combined together set a great platform for our future growth.

On behalf of the Board of Directors of Tejas Networks, we thank the Government of India, the Government of Karnataka, and all Government agencies, Governments of various countries where we have business operations and we look forward to their continued support. We are grateful to our customers, employees, shareholders, suppliers, and bankers, all of whom have supported us during these challenging times.

I wish you all good health and inner strength to tide over these testing times.

Warm regards,

Balakrishnan V
Chairman, Board of Directors

Bengaluru
April 21, 2021

CEO and MD's Statement

Dear Shareholders,

Over the last 15 months, we witnessed the COVID-19 pandemic making an unprecedented impact on our lives. In this extraordinary situation, I am thankful to our employees and partners, who showed tremendous commitment and resolve, and ensured that our business continued smoothly and we could serve our customers without any interruptions. I sincerely appreciate their efforts and am grateful for their support.

During FY 2021, we delivered strong financial performance in terms of revenues and profitability growth, improvement in cash flows, and reduction in working capital.

The summary of our FY 2021 financial results is as follows:

- Consolidated revenue (net of taxes and component sales) was ₹ 514.8 crore (YoY growth of 35.6%).
- International revenues grew by 62% YoY (increased to 40% of total revenues).
- India revenues grew by 22% YoY (reduced to 60% of total revenues).
- Our order book at the end of the year was ₹ 679 crore (YoY booking growth of 54%).
- Profit After Tax improved to ₹ 37.5 crore (loss during the previous year).
- EPS of ₹ 4.05 (loss during the previous year).
- Cash and cash equivalents improved to ₹ 364 crore (YoY increase of 30%).
- Strong repeat business resulting in 86% of revenues from existing customers.

> The growing adoption of work-from-home, learn-from-home, e-commerce, and high-bandwidth video applications will continue to drive the demand for data traffic on telecom networks.

While the ongoing Covid-19 pandemic may cause some near-term volatility in our business, the macro drivers of our business remain robust, given that telecommunications is a critical infrastructure that will be required to enable rapid digitisation of businesses and societies.

With increased fiberisation, both to homes (for home broadband) as well as to cell towers (for 4G and 5G backhaul), telecom service providers will be required to increase their capital investments in upgrading the capacity and reach of their access as well as backbone networks. We have highly competitive products to address this demand and we are well-positioned to capitalise on this investment cycle by our customers.

India Business

In FY 2021, our India business grew by 22% YoY overall. Within that, we saw robust growth in the India-Government segment (48% YoY growth), led by business from the critical infrastructure segment. The India-private segment grew 15% YoY, and we secured new application wins in major telecom operators.

India is the 2nd largest telecom market in the world in terms of subscribers with a teledensity of over 87% (source: TRAI). A large number of Indians have a mobile phone and they have become the highest consumer of mobile data in the world with an average of over 12 GB of data per month. In contrast to mobile broadband, the penetration of fiber-based fixed broadband is very low at around 10 million subscribers, which is expected to grow to over 100 million over the next 3-4 years.

As Indians spend more time at home, embracing the hybrid work models, increased e-learning, and consuming high-resolution streaming video content, the demand for high-speed (10 Mbps upwards) home broadband is expected to grow at a very fast pace. Telecom and internet service providers are making significant investments to serve these quality-conscious subscribers, who can provide them high ARPU and profits. We are well-placed to serve this market segment with our GPON (Gigabit Passive Optical Network) products, having been selected as a vendor by major telecom operators in India. We expect this segment to contribute healthily to our revenues over the next few years.

To better serve their 4G customers today and 5G customers in the future, Indian telecom service providers will need to provide fiber-based connectivity from mobile towers, to be able to backhaul the large volume of data and thereby offer better quality of service. Currently, around 30% of cell towers in India are fiberised and this number is expected to increase over the next few years. Increased data consumption by wireless as well as wireline customers will require telecom service providers to upgrade the capacity of their metro and long-distance backbone networks. We are also addressing this segment, and we have been serving multiple major telecom operators in India with our DWDM and PTN products.

The India-government business, comprising BSNL/BharatNet and critical infrastructure segment (power, railways, oil & gas, smart cities, and defence) is a segment where we have a competitive advantage since it is covered under the Government's Preference to Make in India (PMI) policy. While there are many opportunities in this segment, the timing and fructification of these will depend on Government's plans to spend on these projects.

The Government's focus on ***Atmanirbhar Bharat*** in telecom is a welcome move, and we expect to benefit from various policies such as the Production Linked Incentive Scheme (PLI) scheme, which covers the products that we design and manufacture. In the wake of national security and geopolitical issues, the Government of India has mandated all telecom and internet services providers to procure telecom equipment only from ***trusted sources***. As India's leading domestic telecom equipment company, we believe that the Government policies will provide us with favourable tailwinds. We expect to play a larger role in the domestic telecom ecosystem.

International Business

Over the last few years, we have made a conscious decision to increase our international sales focus to diversify our customer base and reduce our over-dependence on India business. We have established sales presence in South East Asia, Africa, Middle East, and North America, with local sales and support teams. These regions represent a large addressable market opportunity of over US$9 billion per annum for our products. We are pleased to report that our international sales investments have started yielding results and on a YoY basis, our international revenues grew by 62%. As a result, the share of international revenues in FY 2021 grew to 40% of total revenues (up from 33% in FY 2020) and thereby also reducing our geographical dependence on India.

Globally, the impact of COVID has been to accelerate the adoption of high-speed fiber-based home broadband connections and increase network backbone capacities. In addition, the various geopolitical developments and security concerns are forcing telecom service providers to diversify their vendor base.

> In the geographies that we have been operating in, we have been able to leverage our customer successes and establish ourselves as a credible alternate supplier, who can be trusted as a long-term partner.

Our Africa business grew by 63% last fiscal year and we are now an important supplier to many multi-country operators in Africa. We have strong customer references in this region which we are leveraging to grow our market share. Our South-East Asia business clocked a sales growth of over 366% last year. We had a notable win for a large converged network rollout (consisting of both wireline and wireless), which will serve as a good reference for more such customer wins. Our Americas business was slow during the year primarily due to the impact of COVID, which resulted in delays in field trials and reluctance of customers to change their incumbent suppliers.

We will continue to focus on increasing our wallet-share from our existing customers, by positioning a larger portfolio of our products and securing new application wins. We also plan to open up new sales regions such as Europe and CIS during the upcoming year.

Technology Focus

Being in the technology business, we strongly believe that we need to continually invest in R&D and innovation to support the latest standards and strengthen the competitiveness of our products. During FY 2021, we spent 20.6% of our revenues on R&D (on a fully expensed basis), which places us amongst the Top-3 listed companies in India in terms of R&D spends as a percentage of revenues. Telecom equipment is increasingly becoming more differentiated by software, which is a sweet spot for your company since all our products are based on our Software-Defined-Hardware architecture. We continue to be a leading technology innovator in optical networking and broadband access, with 349 patent applications and a rich portfolio of 300+ semiconductor IPs.

We now have an end-to-end portfolio of optical products, from the core of the network to the access. Our TJ1600 family of products for high-capacity metro and long-distance networks is based on cutting-edge DWDM (Dense Wavelength Division Multiplexing) and OTN (Optical Transport Network) technology and can support up to 600 Gbps per wavelength. Our unique TJ1400 product is a converged platform for high-speed broadband access that uses GPON (Gigabit Passive Optical Network) technology for optical fiber-based services for residential and business customers, as well as LTE technology for Fixed Wireless Access (FWA) services. In addition, we have a rich set of Packet Transport Network (PTN) products and Ethernet switches for critical infrastructure buildouts.

Given the ongoing global semiconductor chip shortage and the increase in component lead times and higher costs, we have been taking advance inventory planning actions to address this situation. We are continually monitoring the situation and we hope to be able to weather these challenges in the coming year.

Our People and Community

We take great pride in our ability to attract and nurture highly talented and skilled individuals across all functions in the organisation. Our team showed exemplary commitment and ensured business continuity and 24X7 technical support to our customers during Covid-19 pandemic lockdowns and despite regulatory restrictions.

As a responsible business, we support a wide range of societal initiatives of reputed partner organisations that positively influence the lives of people in our local communities. In FY 2021, we spent ₹ 97.5 lakh towards various Corporate Social Responsibility (CSR) projects.

I would like to extend my sincere appreciation to the Board of Directors for their continued guidance and support. I also wish to thank all stakeholders, including our employees, customers, and shareholders for their continued faith in the company, especially during these challenging times. I am optimistic about the opportunities that are ahead of us and I look forward to taking our company to greater heights and achieving many more successes in the years to come.

Warm regards,

Sanjay Nayak
CEO and Managing Director

Bengaluru
April 21, 2021

Board of Directors

Balakrishnan V

Non-Executive Chairman, Independent Director

Balakrishnan is an associate member of the Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India. He is a recipient of the 'Best CFO Award' from Finance Asia in 2011 and 'Best Performing CFO Award for IT and ITES Sector' from CNBC in 2009. He is the Founder and Chairman of Exfinity Venture Partners LLP and has also served as the Group Chief Financial Officer and member of the Board of Directors at Infosys Limited.

Dr. Gururaj Deshpande

Non-Executive Director

Dr. Gururaj Deshpande has several years of experience in heading a private family investment group. He is the President and Chairman of Sparta Group MA LLC, and is the Co-Founder of Massachusetts-based Sycamore Networks, the Deshpande Center for Technological Innovation at MIT and the Deshpande Foundation.

He also serves as a Life Member of the MIT Corporation (USA), and was appointed by the former US President Barack Obama to the Co-Chairmanship of the National Advisory Council on Innovation and Entrepreneurship, a group established to support the US President's innovation strategy. He has a PhD degree from Queen's 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.

Amb. Leela K Ponappa

Non-Executive Independent Director

Amb. Leela K. Ponappa served as a career diplomat in the I.F.S. for 36 years since 1970. She has been Ambassador of India to Thailand, the Netherlands, Permanent Representative of India to UN-ESCAP, Bangkok and the Organisation for the Prohibition of Chemical Weapons, The Hague and Deputy National Security Adviser. Her work experience has covered all aspects of India's relations with its neighbours; India-US trade and investment; FTAs; regional cooperation and major global issues including security cooperation. She was also the non-ASEAN Co-Chair of the Track II Council for Security Cooperation in the Asia Pacific (CSCAP) from 2012-14 while heading CSCAP-India.

Sanjay Nayak

CEO & Managing Director

Sanjay Nayak is the Co-founder, CEO and Managing Director of Tejas Networks. He has over 30 years of experience in the field of telecommunications and networking. Prior to Tejas Networks, he was the Managing Director of Synopsys (India).

He is currently the Chairman of FICCI's Sectoral Committee for Science, Technology and Innovation, was the former Co-Chairman of India's Telecom Export Promotion Council (TEPC) and has been inducted as a Fellow of the Indian National Academy of Engineering (INAE). Sanjay Nayak has a Master of Science degree from North Carolina State University, USA and a Bachelor of Science degree in Engineering from Birla Institute of Technology, Mesra.

Arnob Roy

Executive Director & COO

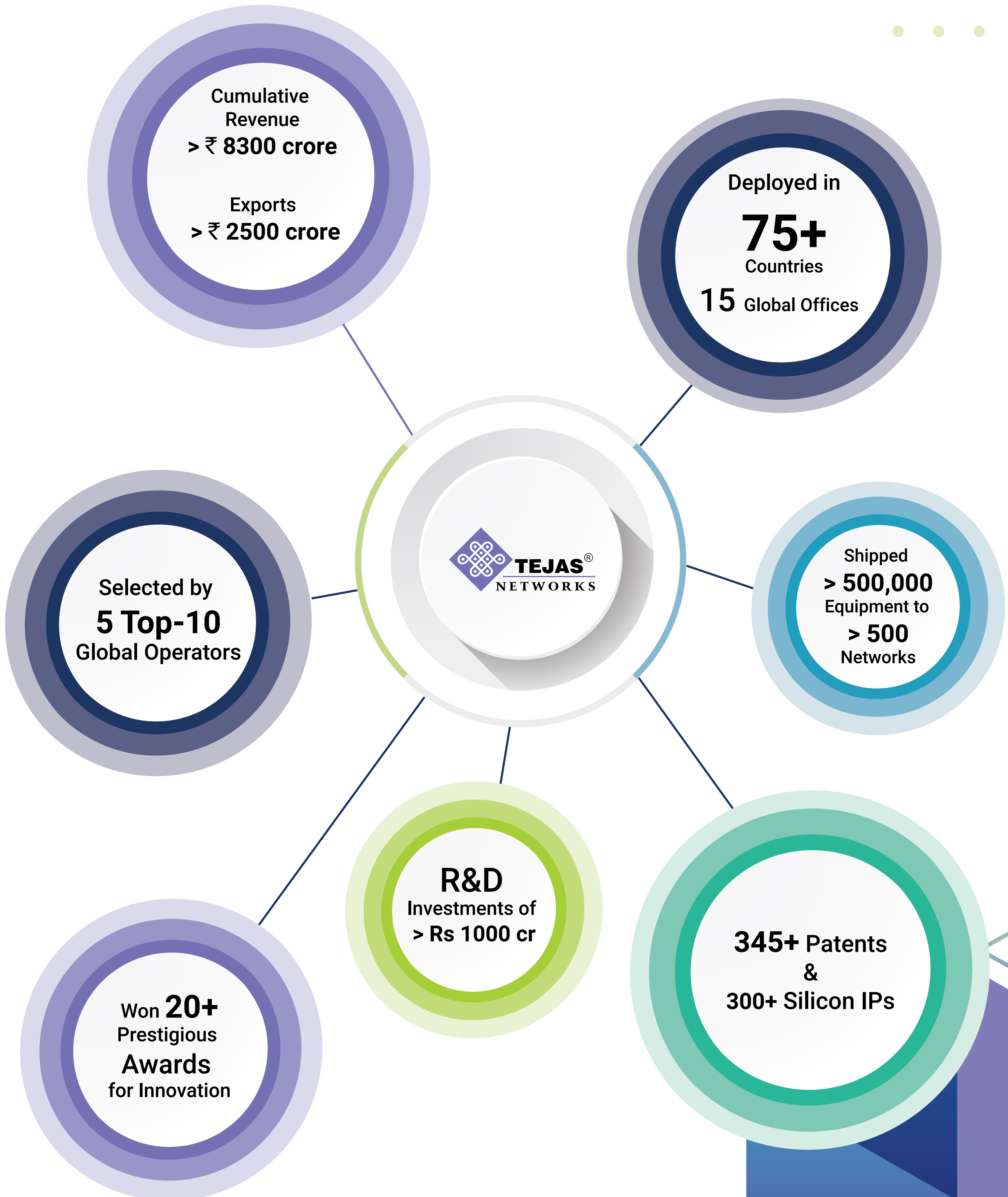
Arnob Roy is the Co-founder, Executive Director and Chief Operating Officer of Tejas Networks. He has over 30 years of experience in research & development, operations and sales in the high-tech industry. Prior to Tejas, he has held senior management positions at Synopsys Inc. and Cadence Design Systems.

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.

BUSINESS SUMMARY

A peek into our business, growth model and strategy, our product strengths and portfolio and much more.

Key Achievements in Our Journey So Far



Tejas at a Glance

Customer Segments

- Telecom Operators
- Internet Service Providers
- Wholesale Bandwidth Providers
- Utilities, Railways, Oil & Gas
- Government & Defence Agencies

Products

- Broadband Access on Fiber
- Optical Transmission
- Fixed Wireless Access over 4G, 5G
- Ethernet Switches
- Network Management Software
- Customer Support Services

Customer Applications

- Residential Broadband Services
- Premium Enterprise Services
- Wholesale Bandwidth Services
- 4G/5G Mobile Backhaul
- Data Centre Interconnect
- Communication Networks for Critical Infrastructure

Competitive Edge

- Unique Software-defined Hardware Technology
- Converged Access Product
- Rich Ownership of Software and Silicon IPR
- Deep Expertise in Building Carrier-Class Products
- India R&D Advantage – High Quality, Cost Effective

Telecom Ecosystem: Where We Fit

Tejas Networks has a diverse range of optical networking products that enable transport and switching of voice, data and video traffic from fixed line, mobile and broadband networks. We cater to multiple customer segments and have an extensive portfolio of leading-edge telecom products that are used for building end-to-end broadband networks based on latest technologies and global standards.

Our Customer Segments

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, Utility Telcos

Government
Public Sector Unit Telcos, BharatNet

Our Products

Access
Fixed Wireless
FTTX
Mobile Wireless*

Transmission
Optical Metro/ Core Transport, Micro OTN
Microwave*

Switches & Routers
Switches
Routers*

Our Deployments

Cell Tower
Home
Data Centre
Exchange
Business
Utility Site

Our Applications

Wireless/ 5G Backhaul
Enterprise Connectivity
Smart City Connectivity
Alien Wavelength Services
Residential Triple-Play Services
Network Modernisation
Metro Railways Connectivity

*not addressed by Tejas Networks

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 global electronic contract manufacturers (EMS) 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 Growth Strategy

Focus on International Business:

- Increase sales investments in Africa, Middle-east, SE Asia, North America and Europe.
- Benefit from new geo-political situation, as customers diversify their supplier base.
- Reduce geographical concentration in India.

Benefit from Data and Broadband Growth in India

- Leverage growth from FTTH and Wireline Broadband.
- Increase walletshare in private telcos and government accounts.
- Benefit from "Atmanirbhar Bharat".

Product Differentiation through Innovation & R&D

- Unique Software-defined hardware architecture
- Ultra-converged platform for broadband services on wireline and wireless
- Leading edge solutions for capacity expansion in metro and core networks on DWDM platform
- 4X India-based R&D leverage

Growing Government Spend in India’s Telecom Sector

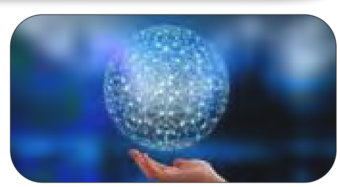
BharatNet & Smart Cities

- Extension of BharatNet fiber broadband to every village in the country; 650,000 villages to be covered by end of 2023.
- 100 Smart Cities Mission for development of urban infrastructure and drive economic growth.
- Safe Cities with secured public safety infrastructure.

National Networks

- Pan-India 4G network to be rolled out will include both wireless and optical transmission infrastructure.
- Strengthening of high-speed home and enterprise broadband on optical fiber.
- Encourages use of domestic telecom products in alignment with GoI’s vision of Atmanirbhar Bharat.

Defence and Utilities



- Modernisation of defence networks.
- Technology upgradation of utility networks to cater to growth in packet traffic.
- Cybersecurity is a key concern due to the mission-critical nature of these networks.

Tejas Networks is well positioned to benefit from increasing capital expenditure in Government segment.

Well-positioned to play a key role for *Atmanirbhar Bharat*

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.
- The DoT has notified 36 telecom products/services/works for preferential procurement under the policy.
- 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.

Product Linked Incentive (PLI) Scheme

- ₹ 12,195 crore incentive scheme for local manufacture of telecom and networking products.
- 4-6% incentive to eligible companies on incremental sales over FY20 base year subject to investment thresholds being met.
- Policy to be applicable from April 2021 for five years.

All telecom products being manufactured and sold by Tejas are listed under the PLI scheme.

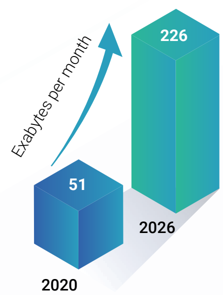
Government mandate for sourcing 'Trusted' telecom equipment

- 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.

All TSPs and ISPs, public as well as private, are covered under this new mandate.

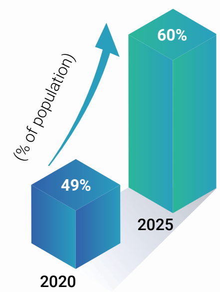
Global Telecom Industry Trends

Mobile Data Traffic



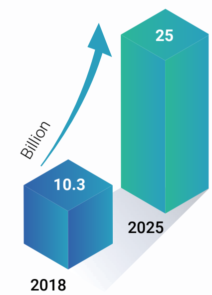
Growth Factor: 4.5x
Source: Ericsson

Internet Penetration (%age of population)



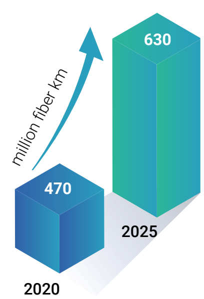
Source: GSMA

IoT Connections



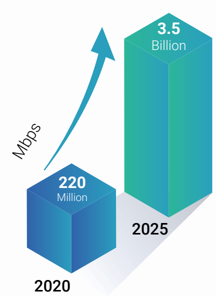
Growth Factor: ~2.5x
Source:GSMA

Fiber Rollout



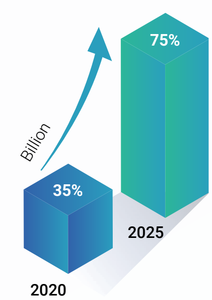
Growth Factor: 1.3x
*growth as per internal estimates

5G User Base



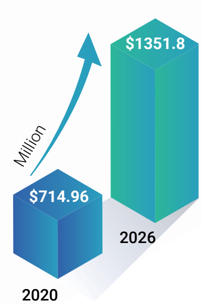
Growth Factor: ~15x
Source: Ericsson

High-speed Broadband Subscriptions (>100 Mbps)



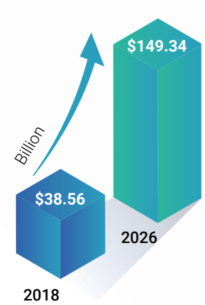
Growth Factor: 2.5x
Source: Omdia

Smartphone Market Size



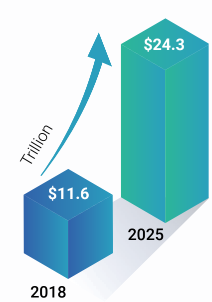
Growth Factor: 11.2% CAGR
Source: Mordor Intelligence

Video Streaming Market



Growth Factor: 18.35% CAGR
Source: Valuates

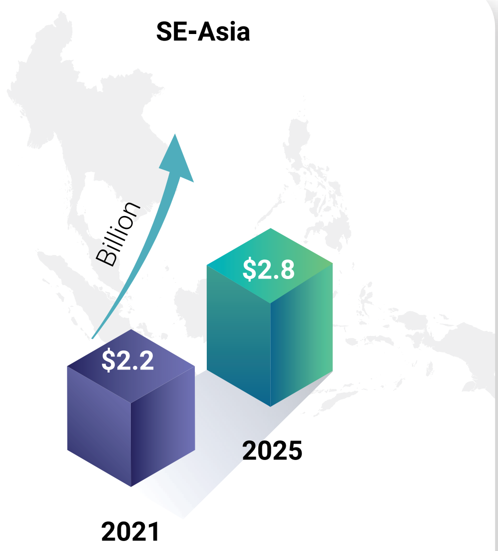
E-commerce Market



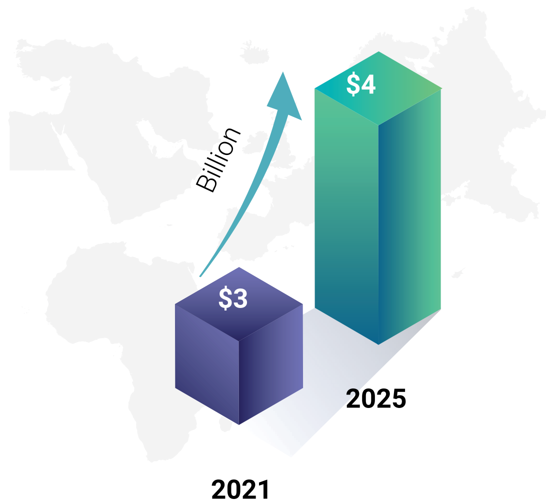
Growth Factor: 11.1% CAGR
Source: Meticulous Research

Focus on High-Potential International Markets

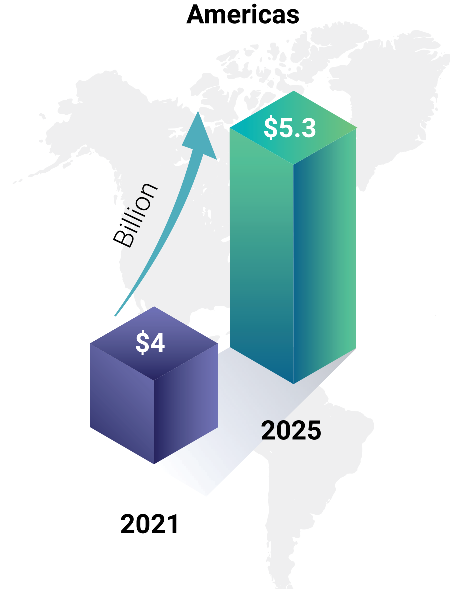
SE-Asia



Africa, Middle-East and Europe



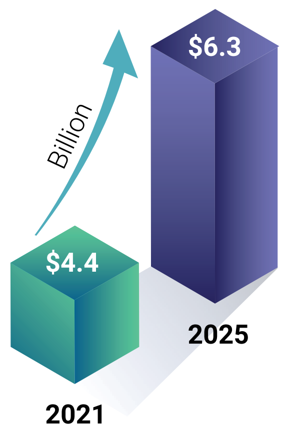
Americas



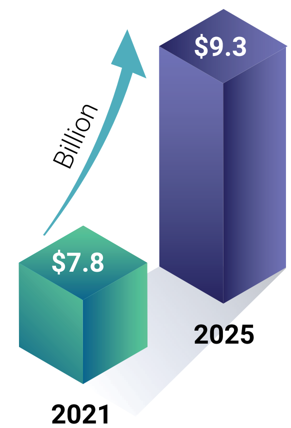
Source: Omdia and Internal Estimates

Technology Focus on Large and High-Growth Product Segments

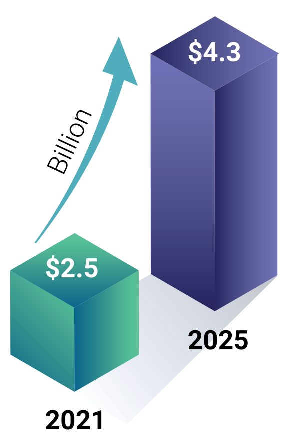
Global XPON Market



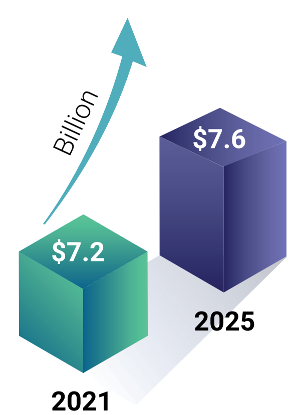
Global Metro/Access WDM Market



Global Fixed Wireless Access Market



Global Converged Packet Optical Market



Source: Omdia and Internal Estimates

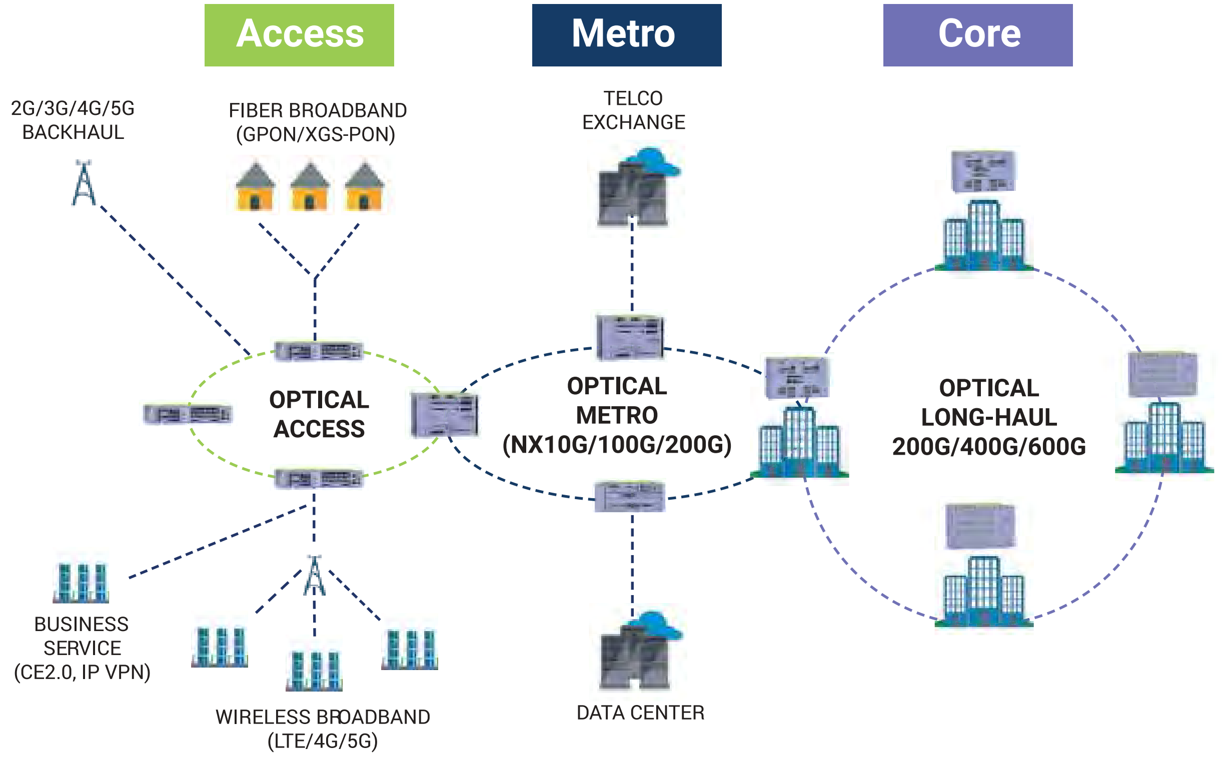
Expanding Global Presence

Tejas Products and Solutions

Enabling Digital Highways of the Future

Over the years, Tejas has evolved an extensive portfolio of leading-edge telecom products for building end-to-end broadband networks from access to core. Tejas products include carrier-grade optical transmission, fiber broadband, broadband wireless (based on LTE 4G/5G) as well as multi-gigabit Ethernet/IP switching and routing products.

Tejas products are used for several network applications that include backhaul of mobile and fixed-line traffic from cell towers to switching centers or exchanges, delivering digital leased line circuits or Ethernet services to businesses, building high-capacity national or regional "digital highways" for transport of data traffic, offering wholesale bandwidth services, interconnecting terabit-scale data centers of web-scale companies and for realising mission-critical control networks for utility companies such as railways, power, oil & gas and metro/light rail.



With a focus on continuous innovation, we create products using technologies such as GPON, XGS-PON, LTE, DWDM, OTN and PTN. We are a leading technology innovator in optical networking and broadband access with 349 patent applications, 127 global patent grants, and a rich portfolio of 300+ semiconductor IPs. We also are an active contributor to the global 5G standards through our work in India's Telecom Standards Organisation (TSDSI), which is a full organisational partner of 3GPP.

Tejas Product Portfolio

Multi-Gigabit Fiber Broadband Products

Ultra-Converged Access/ Edge Products

Metro/Longhaul Optical Transport Products

Hyper-Scalable Core Switch

IP/Ethernet Switch Portfolio

Wireless Portfolio

Innovation-driven R&D Strategy

Tejas is an R&D-driven organisation with a focus on being at the forefront of technological advancements in the field of telecommunications. With an R&D force comprising more than 50% of the organisation strength, we have continued to invest in the development of new product capabilities and in expanding our portfolio breadth to align with the changing technological landscape and to meet changing customer demands.

Top-three R&D spender amongst publicly-listed Indian companies*.

Our products are developed based on customer requirements, technology trends, industry standards and competitive landscape. Our R&D team possesses advanced skill-sets in semiconductor IP design, computer-aided design, industrial design, high-speed board design, embedded software development and product verification. The team is also proficient in integration and reliability engineering, ensuring regulatory compliance, design for testability and manufacturability, and product lifecycle management.

Tejas is founding member of India's Telecom SDO and actively driving new standards for optical and 5G technologies

Member of the Governing Board of India's Telecom Export Promotion Council

Tejas CEO is Chairman of FICCI's Committee on Science, Technology and Innovation

Member of National ICT Committee of India's leading industry confederation

Key member of India's premier electronics and semiconductor association

*as a percentage of annual sales

Expanding our Business through Product Innovations

Broadband for Premium Enterprises and Home Connectivity

- Our products enable operators to use a single platform to support both fixed broadband and wireless broadband to serve areas where fiber penetration is impossible.
- Our XGS-PON portfolio enables operators to deliver multi-gigabit services to their subscribers.
- Our TJ2100N series ONTs with Power over Ethernet for video monitoring (CCTV) has opened up new avenues for deployment across the globe.

Optical Network Capacity Expansion in the Metro and Core

- Operators can increase their bandwidth capacity with our latest Terabit card using high-performance optics.
- Our multi-terabit OTN/DWDM products can scale to meet the exploding bandwidth needs of wholesale service providers and web-scale companies.
- Our eROADMs provide next-gen 'plug and play' functionalities to enable faster rollout of services.

349 patents

Indigenous 4G/5G Wireless Products

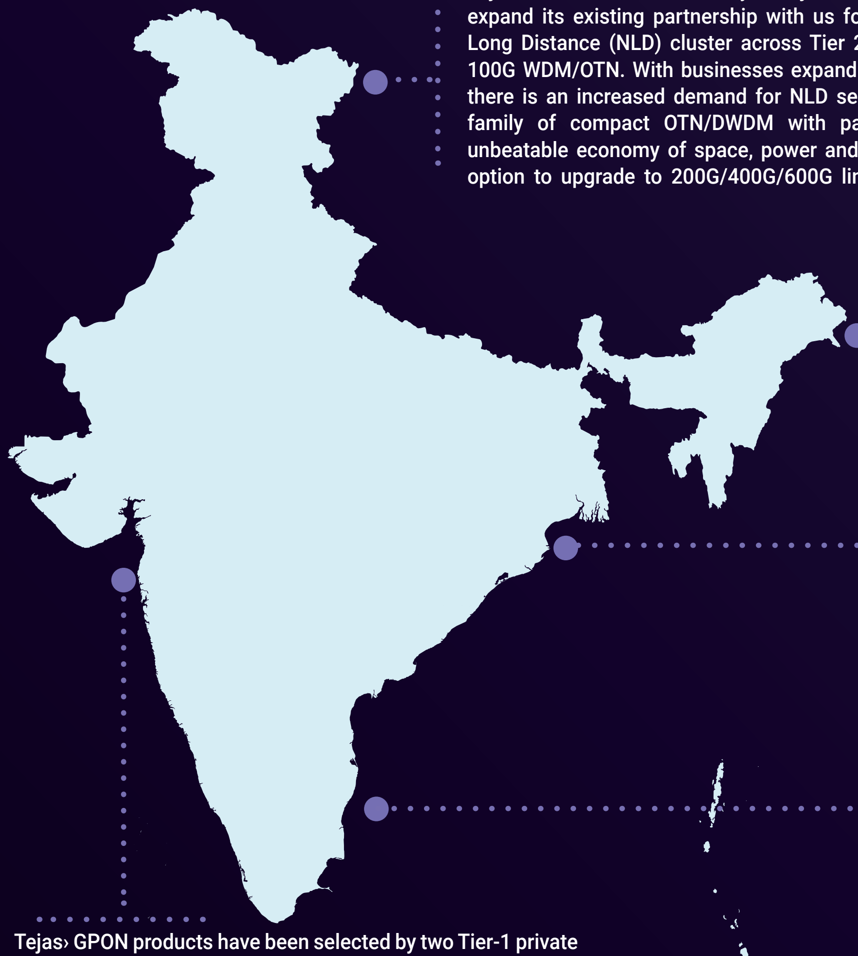
Tejas has invested in wireless product development from 2012 with a vision to create 4G upgradeable to 5G products. We are an active partner for 5G in the Indian Ecosystem and have significantly contributed to India's standardisation efforts in 3GPP, through TSDSI.

Our wireless products have been installed and commissioned across three continents.

Recent India Success Stories

Tejas products were selected by multiple state Government agencies to provide high-speed internet in rural areas and realise the vision of Digital India. Tejas' modular and pizza box OLTs have been placed in block offices and gram panchayats, which in turn are connected to multiple GPON ONTs. These deliver a variety of applications such as telemedicine, e-education, online banking, e-commerce and e-governance services.

Tejas Networks was chosen by a major Indian telecom carrier to expand its existing partnership with us for upgrading National Long Distance (NLD) cluster across Tier 2 and Tier 3 cities to 100G WDM/OTN. With businesses expanding around the globe, there is an increased demand for NLD services. Tejas' TJ1600 family of compact OTN/DWDM with packet support offers unbeatable economy of space, power and port density with an option to upgrade to 200G/400G/600G line rates.



Tejas TJ1400P-M Layer2 and Layer3 Ethernet Switches have been selected by all the three Defence services for pan-India deployment. The comprehensive feature set of Tejas switches has been designed to meet mission-critical deployment requirements. One of the three defence services used Tejas Access switches for interconnecting equipment spread over large campuses for their operational network. Another defence service used our Carrier grade Ethernet switches for interconnecting establishments as part of their pan-India network upgrade.

Tejas has been selected by one of India's top three telecommunications companies that offers wireless, B2B and enterprise connectivity. Tejas implemented an innovative solution using a compact TJ1600 product, which provides integrated WDM/OTN with sub-lambda grooming to aggregate storage network traffic from enterprises. This has enabled the telecom company to expand its B2B offerings while conserving scarce fiber resource in the access network.

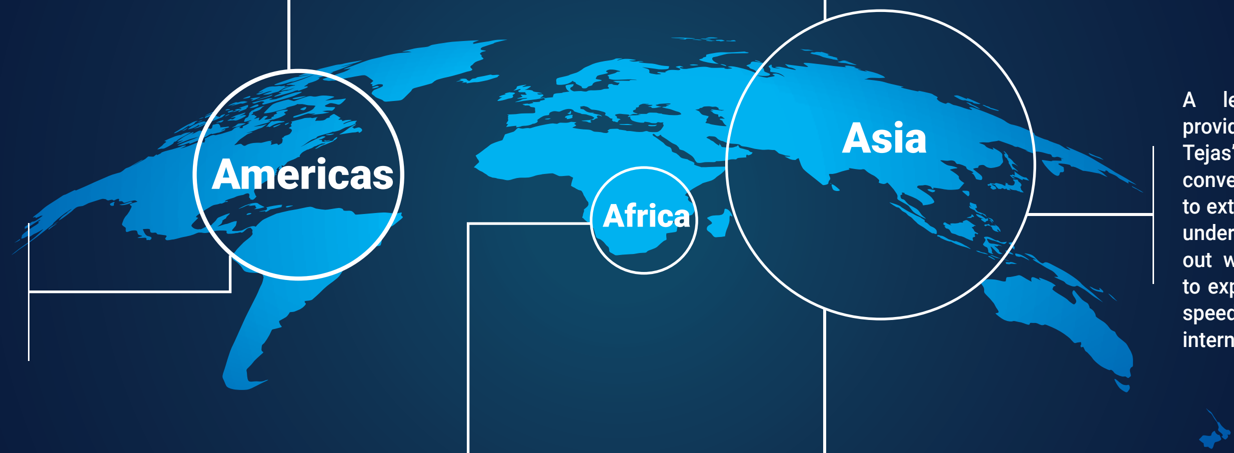
Tejas› GPON products have been selected by two Tier-1 private telcos for their pan-India fiber broadband rollouts to homes and businesses. This underscores Tejas› technology strengths and credibility as a world-class provider of broadband access equipment.

International Success Stories

Tejas Networks upgraded a 911 Emergency Response System in the United States of America from an existing microwave-based solution to a high-capacity optical backbone network. This network carried traffic from 911 calls, police, troopers, EMS, DOT, and many other state agencies. This project evolved over seven year to provide service to every county in the state with over 230 network elements from Tejas. The network continues to evolve even to this day from a primarily TDM network to a packet network seamlessly, without network interruption.

Asia Consultancy Group (ACG), a leading independent private company providing telecommunications infrastructure, managed & engineering services across Afghanistan, deployed Tejas' state-of-the-art 100G-600G capable DWDM/OTN and PTN products to establish a high-capacity national backbone and packet access network in Afghanistan. TJ1600 DWDM/OTN products leverage an innovative software-defined hardware™ architecture that enables next-generation wholesale telecom carriers such as ACG to scale-up their network capacity in cost-effective increments as well as align their capex investments in line with their services and revenue growth.

C3ntro Telecom, a wholesale carrier based in Mexico, expanded its existing partnership with Tejas Networks. C3ntro Telecom plays a vital role in providing high speed voice and data connectivity for residential and enterprise customers in Mexico, USA and LATAM. Tejas, multi-terabit TJ1600 OTN/DWDM products enhanced the bandwidth capacity on their optical backbone network to meet the massive surge in data centre interconnect, broadband traffic from Work from Home (WFH), Video-on-Demand (VOD) and online learning.



A leading telecommunication service provider in South-East Asia has installed Tejas' award-winning TJ1400 ultra-converged broadband products (TJ1400UCB) to extend high-speed broadband services to underserved rural communities. This roll-out will enable a sizable rural population to experience the tangible benefits of high-speed, reliable and affordable wireless internet for the first time.

Tejas Networks deployed its 100G/100G+ coherent DWDM solution over the existing network of a leading Internet Service Provider from Southern Africa, and was able to successfully demonstrate high-speed transmission of multiple 100G wavelengths over the alien 10G network and meet the stringent performance and reliability expectations of the customer in a cost-effective manner.

A global telecom operator headquartered in Asia with a footprint in over 150 countries deployed Tejas' TJ1600-11 platform at their key POP locations in USA, Africa, Asia and Europe to deliver international connectivity to wholesale and enterprise customers with a reach of more than 3000 cities worldwide. Tejas equipment are used for connecting traffic within their own network as well as for handing-off traffic to partner-operators over network-to-network interface.

COPING WITH COVID-19

To ensure business continuity and employee safety during the global pandemic, we put together a host of measures across the organisation.

Customer Support

- **Fulfillment and Delivery**
  Took priority orders for critical spares and network expansion
- **Customer Service & Support**
  Offered 24x7 emergency support with remote access capability
- **Premium Support**
  Provided mission-critical support through superior technical team

Sales and Marketing

- **Online Customer Engagements**
  Conducted and participated in online conferences, webinars and virtual events
- **Sales Support**
  Offered dial-in assistance from sales and pre-sales

Manufacturing and Operations

- **SMART FAT**
  Conducted virtual Factory Acceptance Test (FAT) for customers and answered all their queries online - live
- **Expanded Supplier Base**
  Diversified supply chain from a geographical perspective to include Tier 1 and Tier 2 suppliers
- **Safety Protocols & Plans**
  Sanitised import cargos, shipments, shop floor & warehouse, followed social distancing norms, SOPs and best practices put in place

Human Resources

- **Work from Home**
  Enabled work-from-home policies and facilities for employees
- **Health insurance**
  Undertook Covid-related health insurance cover for all employees and their families
- **SOPs at workplace**
  Introduced SOPs such as thermal screening, periodic sanitisation drives, ergonomic redesign of workspaces and cafeteria, contingency plans

SERVICES

Our world-class service network helped us support our customers and partners 24x7 even during the global pandemic.

Keeping the Customer at the Core

Given the dramatic increase in remote collaboration and work-from-home, the criticality of telecom networks in current times cannot be overemphasized.

With 350+ multi-technology product specialists and 200+ trained vendor teams, Tejas Networks is well-equipped to support deployments in 75+ countries with 500+ 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, MPLS, OTN and other networking technologies.

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

350+
Multi-technology product specialists

200+
Trained vendor teams

75+
Countries deployment support

500+
Customers

24/7
Technical Aassistance Centre (TAC)

26
Support centres across India, Asia, Africa and Central America

Tejas Networks' robust end-to-end services portfolio is designed to optimise Total Cost of Ownership (TCO) through well-researched transformation programs and technology enablers.

Our world-class service network helped us support our customers and partners 24x7 even when the global pandemic disrupted most businesses.

Geographically-diverse Customer Support

Our technical support team is well equipped to provide emergency support 24x7 virtually from anywhere in the world. All our customer support engineers, including TAC are equipped with remote access capability and tools to support our customers from 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. Our team boasts of the highest level of technical capability in our Technical Assistance Center that work closely with our R&D team to fix issues.

Our remote delivery centers and TAC have been modernised to support mission critical services and remotely manage customer NOCs, thus ensuring high QoS and best-in-class experience to their end customers.

Build Services

- Network architecture design.
- Network installation and commissioning.
- Documentation.

Support & Managed Services

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

Knowledge Services

- Training by technology specialists.
- Extensive knowledge base.

Consultancy Services

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

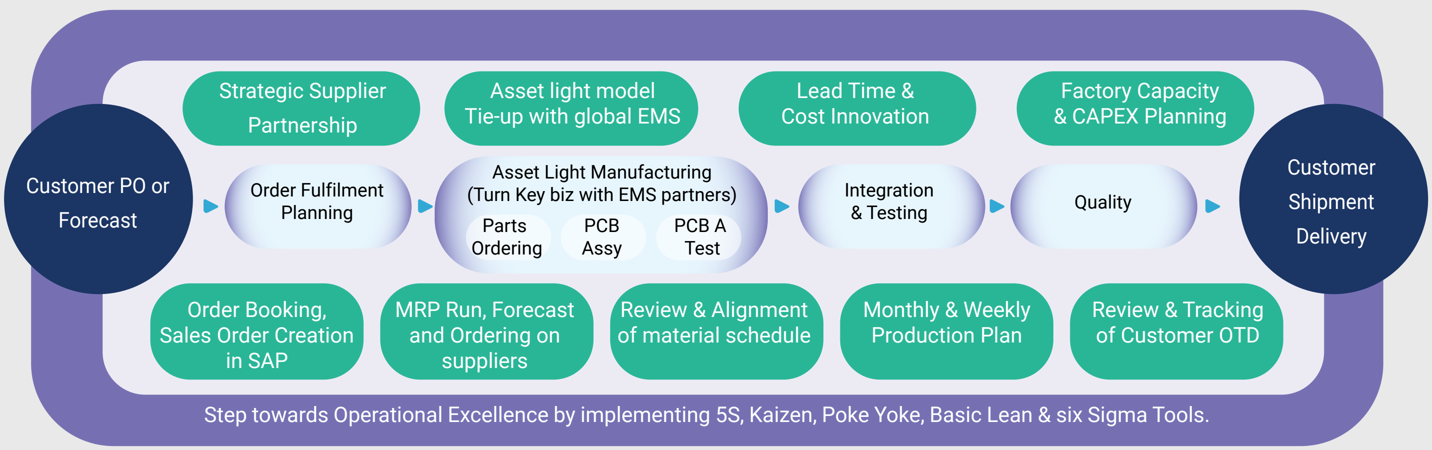
MANUFACTURING

Our supply chain with its lean and efficient manufacturing model helped us tide over the global Covid crises.

Supply Chain & Asset-Light Manufacturing

At Tejas, our supply chain has an efficient and lean manufacturing model. Our objective is to create a best-in-class global supply chain, which exceeds customer expectations with timely deliveries and consistently high quality, while minimising inventory levels and consistently reducing manufacturing costs.

SUPPLY CHAIN MODEL



The products are manufactured in India through partnerships with reputed EMS companies, which help 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. It 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.

HIGHLIGHTS

- **State-of-the-art Integration & Testing facility with 72000 sq. ft. built up area at Electronics City Phase-2, Bangalore.**
- **ESD compliance and elevated temperature testing chambers to ensure high quality.**
- **Dedicated shop floors forExport (EHTP) and Domestic(DTA) sales.**
- **70+ highly skilled anmotivated employees augmented by flexible resources to manage peaks.**
- **18000 Sq. Ft of warehouse space for components, assemblies & finished goods.**

A glance at our manufacturing and storage facilities.

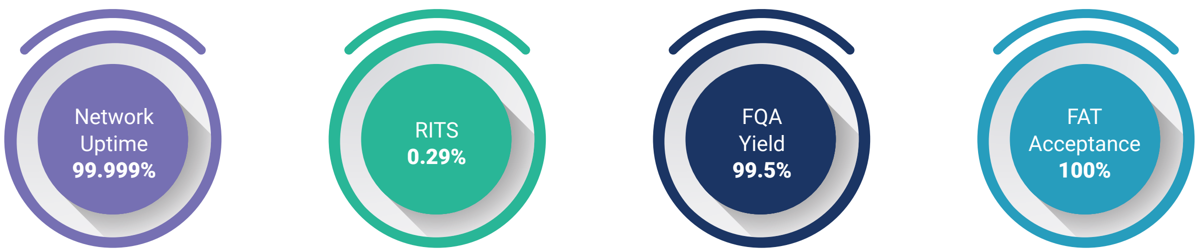
CUSTOMER SATISFACTION

- Cross-functional team approach in supplier selection.
- An audit team of subject matter experts for supplier audit.

- Periodic review of supplier performance.
- Effective feedback mechanism for timely actions on quality issues.

- Real time feedback for field failure analysis.
- Timely actions on the field quality issues.

- ESD strengthening on the shop floor.
- Efficient layout design to minimize material flow.



We strongly believe in continual improvement culture. To build and strengthen the operation excellence in our manufacturing facility; we have taken up initiatives like 5-S, Kaizen, Poke-Yoke and Basic Lean Implementation. These are the platforms available for all our employees to contribute towards the operational excellence to show case the Kaizen implemented on bigger outside platform.

We had participated in the Kaizen competition held by CII – Chennai chapter held in August 2020 with three projects.

260+ Kaizens Implemented

CII Kaizen Competition Participation

Focus on Quality

Quality is an integral element of our culture, and has always been given the first and foremost importance at Tejas in terms of both the design as well as manufacturing of our high-performance and cost-competitive networking products.

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 as well. We have been certified for TL9000 & ISO9001 certification for our quality management system with reference to our supply chain, R&D and manufacturing processes.

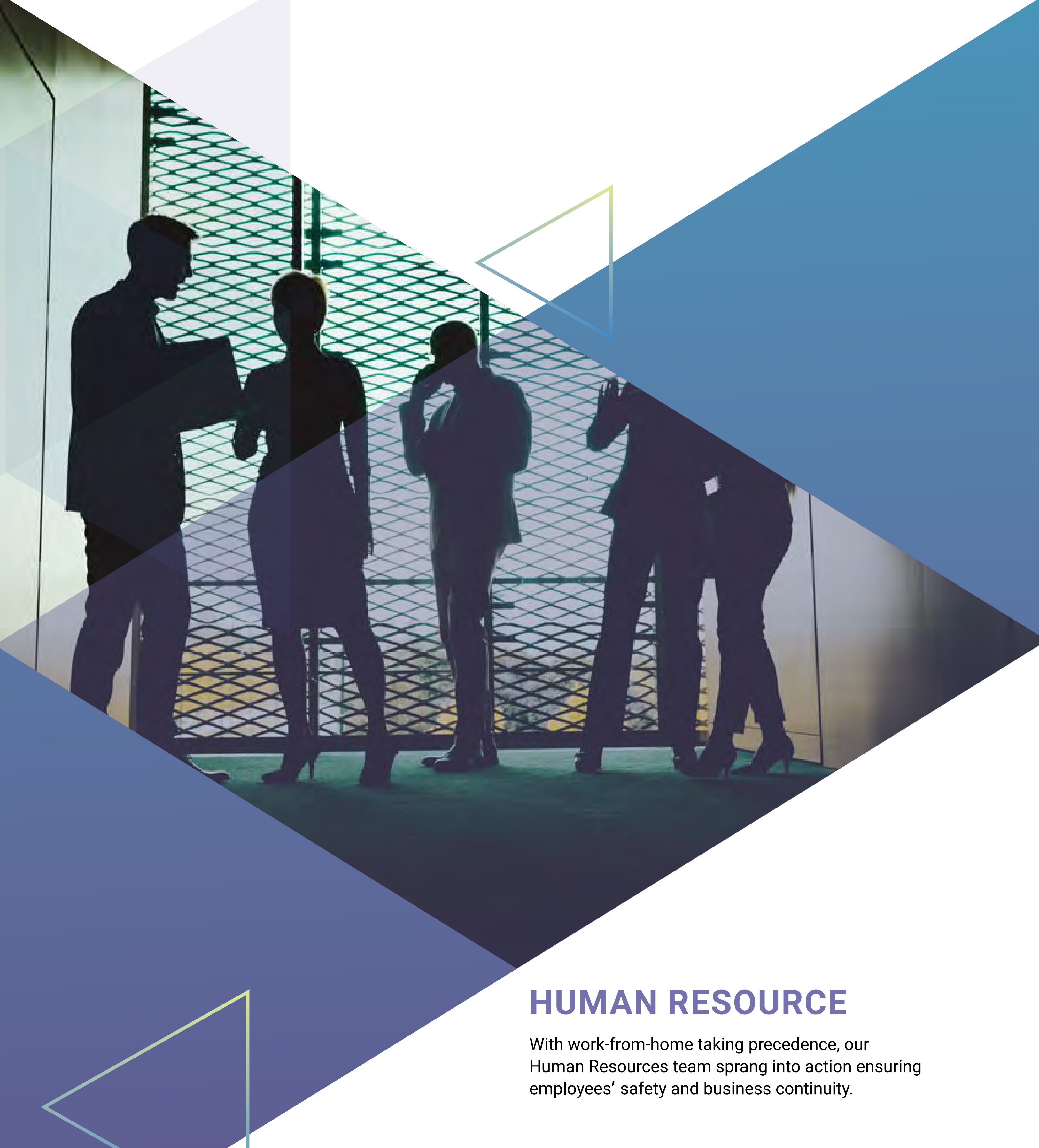
Global Industry Certifications

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 (also called Evaluation Assurance Level certification as per ISO15408 standard) 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 also recently received the ISO 14001 certification for our effective environmental management system.



HUMAN RESOURCE

With work-from-home taking precedence, our Human Resources team sprang into action ensuring employees’ safety and business continuity.

Building a World Class Team

Over the last two decades, Tejas Networks has emerged as a truly global company with 15 offices in 12 countries. More than 50% of our workforce is in R&D and a majority of them are from top colleges and universities of India. Thanks to our collaborative work environment, 4% of our employees have been with the company for over 15 years.

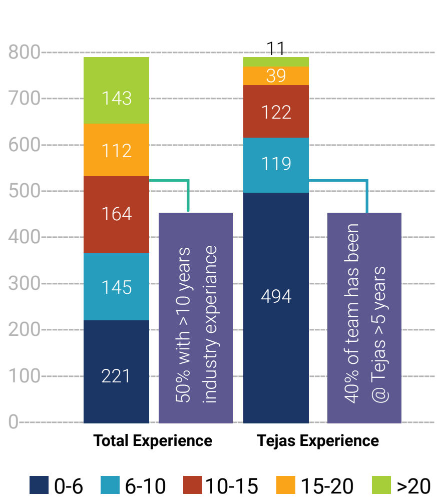
785

Total Headcount
(Diversity Ratio: 11%)

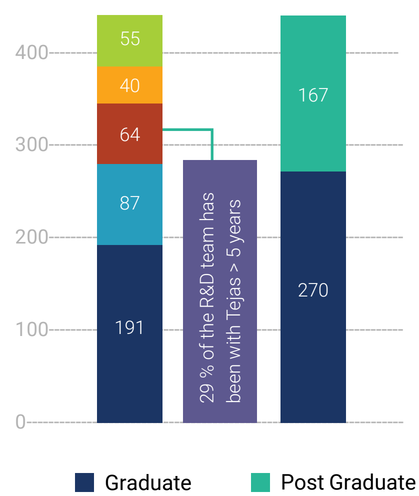
Highly-experienced Senior Sales Team : Avg. experience 23.6 years (Avg. 9.5 years @ Tejas)

Highly-experienced Senior R&D Team : Avg. experience 25.3 years (Avg. 12.1 years @ Tejas)

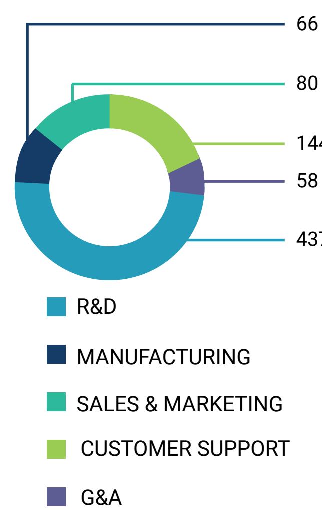
Experienced Team



Highly-Qualified R&D Team



Function-wise Headcount



Work from Home (WFH)

From framing appropriate employee-centric policies related to Work from Home to walking the employees through the remote-working tips, productivity hacks and ways to sustain team morale and team productivity, the Human Resources team managed the show for all employees.

The Human Resources team helped train employees on various technology tools such as videoconferencing, team collaboration platforms to support a long-term Work from Home paradigm.

SOPs for Employees' Safety

Covid-19 safety protocols were followed in all locations. Steps included thermal scanning, use of contract-tracing apps, cafeteria redesign to facilitate social distancing, ergonomic redesign of workspaces for minimal surface and person contact, daily cleaning and weekly sanitisation of the offices.

A cross-functional and quick-response Covid-19 management team was created to respond to any emergencies at the workplace.

Employee-centric Initiatives

A Covid-19 specific insurance was taken for all employees and their families over and above the group medical insurance policy.

A specialised well-being and mental health service was offered for all the employees through a holistic package with a wellness partner.

This allowed the employees to confidentially reach out to trained counselors for any challenges they faced.

Awards, Accolades And Recognitions

Tejas Networks has been recognised time and again by global industry leaders for excellence in its product innovation. These recognitions are a testament to Tejas' continued commitment to deliver high-tech solutions for the telecom industry.

Technology Corporate of the Year

The Bangalore chapter of IEEE, the world's largest technical professional organisation for the advancement of technology awarded Tejas Networks the 'Technology Corporate (Medium) of the year' for exceptional contributions in Telecom Technologies.

Crème de la crème – Tejas CTO amongst most-cited scientists in the world

Dr Kumar Sivarajan, Chief Technology Officer, Tejas Networks has been ranked among the top-2 per cent most-cited scientists in the world in the field of networking and telecommunications.

Recognised as Top-Three R&D Spender amongst publicly-listed Indian companies

Tejas Networks was ranked as a top-3 R&D spender (as a percentage of annual revenues) among all publicly listed companies in India in an independent study conducted by ICICI Securities.

Tejas MD re-appointed as Chair, FICCI Committee on Science, Technology and Innovation

Mr Sanjay Nayak, Managing Director and CEO, Tejas Networks was reappointed as the Chair of FICCI Committee on Science, Technology and Innovation for 2021.

Global Telecom Award Finalist for Excellence in Fixed Broadband Networks

Tejas' TJ1400 UltraFlex product was shortlisted for Global Telecom award for excellence in Fixed Broadband Networks. Glotel awards are organised by Informa to recognise global companies involved in advancing and transforming today's telecom industry through network innovations and excellence.

Building a Better World

Our Corporate Social Responsibility Initiatives

AKSHAYA PĀTRA
Unlimited food for education

The Akshaya Patra Foundation operates the world's largest mid-day meal programme that serves wholesome food to over 1.8 million school children every day in India. Tejas Networks donated ₹ 10 lakh towards this cause.

ICTACADEMY

Tejas Networks collaborated with ICT Academy for student skill development in Tamil Nadu. To support the Academy's cause, Tejas Networks provides vocational skills to higher education teachers and students that enhance employment opportunities by making the students work-ready upon graduation. The company has contributed a sum of ₹ 15 lakh towards this collaboration.

iiit-b
ज्ञानमुत्तमम्

Tejas Networks has contributed an amount of ₹ 25 lakh to the International Institute of Information Technology (IIIT), Bengaluru. IIIT Bengaluru was established with a vision to contribute to the IT world by focusing on education and research, entrepreneurship and innovation, and is working on a research proposal on ML-based Network Node Reliability Prediction.

Tejas Networks has contributed an amount of ₹ 20 lakh towards "Project Inclusion" by Sri Aurobindo Society, Puducherry. The project aims to bring children with hidden disability, who are unable to cope-up with the world, by giving them equal and quality education.

Tejas Networks has supported the Deshpande Foundation, Hubballi towards its initiative, "Skill in Village" with a contribution of ₹ 15 lakh. The foundation works towards nurturing entrepreneurial mind sets by impacting grassroots problems through innovation, collaboration and sustainability.

Tejas Networks has contributed ₹ 12.5 lakh to Katha, which connects grassroots work in education and urban resurgence to bring 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.

Board and Committees

The Board

Balakrishnan V
Non-Executive, Independent Director and Chairman

Sanjay Nayak
Managing Director and Chief Executive Officer

Dr. Gururaj Deshpande
Non-Executive and Non-Independent Director

Amb. Leela K Ponappa
Non-Executive and Independent Director

Chandrashekhar Bhaskar Bhave
Non-Executive and Independent Director

Arnob Roy
Whole-time Director and Chief Operating Officer

Key Management Personnel

Sanjay Nayak
Managing Director and Chief Executive Officer

Arnob Roy
Whole-time Director and Chief Operating Officer

Kumar N Sivarajan
Chief Technology Officer

Venkatesh Gadiyar
Chief Financial Officer

Sukhvinder Kumar
President, Global Manufacturing Operations

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

The Committees

Audit Committee

Chandrashekhar Bhaskar Bhave
Chairperson
Amb. Leela K Ponappa
Balakrishnan V

Nomination and Remuneration Committee

Amb. Leela K Ponappa
Chairperson
Balakrishnan V
Chandrashekhar Bhaskar Bhave
Dr. Gururaj Deshpande

Stakeholders Relationship Committee

Dr. Gururaj Deshpande
Chairperson
Balakrishnan V
Sanjay Nayak
Arnob Roy

Corporate Social Responsibility Committee

Amb. Leela K Ponappa
Chairperson
Balakrishnan V
Sanjay Nayak
Arnob Roy

Risk Management Committee

Balakrishnan V
Chairperson
Amb. Leela K Ponappa
Dr. Gururaj Deshpande
Chandrashekhar Bhaskar Bhave

Board's Report

i. ***The Board 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, 2021.***

ii. ***The confirmation/ disclosures made by the Board of Directors for the year ended March 31, 2021, are based on the records and information as available with them, to the best of their knowledge and belief, according to information and explanations obtained from the management.***

Dear Members,

The Board of Directors (the "Board") are pleased to present the 21st Annual Report together with the audited financial statements for the financial year ended March 31, 2021. The Consolidated performance of our Company has been referred to wherever required.

1. Financial Performance

a. Results of our operations and state of affairs

in ₹ crore except per share data

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
Revenue from operations	524.49	386.20	526.60	390.54
Other Income	24.81	33.71	24.85	33.65
Total income	549.30	419.91	551.45	424.19
Expenses				
Cost of materials consumed	268.74	203.58	268.74	203.58
Employee benefit expense	109.57	103.22	116.33	110.52
Finance costs	3.58	7.57	3.70	7.72
Depreciation and amortization expense	52.12	77.05	52.12	77.05
Impairment of non-current assets	-	69.87	-	69.87
Allowance for expected credit loss	12.49	18.81	14.80	20.03
Other expenses	80.53	77.42	73.24	73.99
Total expenses	527.03	557.52	528.93	562.76
Profit/(Loss) before tax	22.27	(137.61)	22.52	(138.57)
Income tax expense				
Current tax	-	-	-	-
Deferred tax expense/(benefit)	(15.02)	98.55	(15.02)	98.55
Total tax expense	(15.02)	98.55	(15.02)	98.55
Profit/(Loss) after tax	37.29	(236.16)	37.54	(237.12)
Other comprehensive income/(Loss)				
Items that will not be reclassified to profit or loss	2.21	(1.07)	2.21	(1.07)
Items that will be reclassified to profit or loss	-	-	(0.19)	0.64
Total comprehensive income/(loss) for the year	39.50	(237.23)	39.56	(237.55)
Retained earnings- opening balance	12.56	265.56	12.53	266.49
Less: Items that will be reclassified to profit or loss	-	-	(0.19)	0.64
Impact on account of adoption of Ind AS 116	-	4.69	-	4.69
Dividend paid	-	9.19	-	9.19
Dividend distribution tax	-	1.89	-	1.89
Retained earnings- closing balance	52.06	12.56	52.28	12.53
Earnings/(Loss) per equity share				
Equity shares of par value ₹ 10 each				
Basic	4.03	(25.66)	4.05	(25.76)
Diluted	3.96	(25.66)	3.99	(25.76)

b. Financial Position

in ₹ crore

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
Bank balances and deposits with maturity up to three months	52.44	66.05	53.43	66.48
Bank balances other than above				
Current[(1)]	164.09	76.71	164.09	76.71
Deposits with original maturity of more than twelve months	1.54	1.11	1.54	1.11
Investment in mutual funds	37.37	50.97	37.37	50.97
Deposits with financial institutions disclosed under other current financial assets	108.00	85.00	108.00	85.00
Cash and cash equivalents including margin money	363.44	279.84	364.43	280.27
Net current assets[(2)]	436.30	523.58	447.38	535.17
Property, plant and equipment	29.48	30.55	29.48	30.55
Right-of-use assets	16.10	21.29	16.10	21.29
Intangible assets	65.43	26.81	65.43	26.81
Intangible assets under development	24.49	26.99	24.49	26.99
Other non-current assets[(3)]	215.48	193.20	204.65	182.36
Total assets	1,150.72	1,102.26	1,151.96	1,103.44
Non-current provisions	0.69	0.59	0.69	0.59
Lease Liabilities	17.07	21.91	17.07	21.91
Total equity	1,132.96	1,079.76	1,134.20	1,080.94
Total equity and Non-current liabilities	1,150.72	1,102.26	1,151.96	1,103.44

(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 the bank balances considered as cash and cash equivalents*

(3) *Excluding bank balances considered as cash and cash equivalents*

c. Revenues

During FY 2021 our revenues grew by 36%, largely due to increase in the revenues from India Govt by 48%, India Private by 15% and International by 62% on YoY basis.

- Standalone

Our net revenues (net of taxes and component sales) from operations on a standalone basis grew by 36.6% to ₹ 512.71 crore in FY 2021. Domestic and export revenues constituted 60% and 40% of our total revenues respectively. International revenue contribution increased during FY 2021 to 40% of total (33% in FY 2020).

- Consolidated

Our net revenues (net of taxes and component sales) from operations on a consolidated basis grew by 35.6% to ₹ 514.82 crore in FY 2021. Domestic and export revenues constituted 60% and 40% of our total revenues respectively. International revenue contribution increased during FY 2021 to 40% of total (33% in FY 2020).

d. Profits / (Loss)

The profit was primarily on account of higher revenues and higher gross margins, while our operating costs only increased marginally, since they are primarily linked to our manpower costs. Since FY 2020 was an exception, with revenue and profitability being abnormally low, the growth ratios of FY 2021 when compared to FY 2020 may not be very relevant.

- Standalone

Our gross profit on a standalone basis amounted to ₹ 210.02 crore (41% of net revenue) as against ₹ 130.90 crore (34.9% of net revenue) in the previous year. The gross and net Research and Development (R&D) expenses were 20.7% and 7.9% of our net revenues respectively for FY 2021 as compared to 29.1% and 11.2% respectively for FY 2020. Selling and marketing costs were 18.0% (previous year 22.0%) of our net revenue for FY 2021. The General and administrative expenses were 4.4% (previous year 6.2%) of our net revenue for FY 2021. The operating profit amounted to ₹ 2.47 crore (0.5% of net revenue) as against loss of ₹ 163.75 crore (-43.6% of net revenue) in the previous year. The profit before tax was ₹ 22.27 crore (4.3% of net revenue) as against loss of ₹ 137.61 crore (-36.7% of net revenue) in the previous year. The net profit was ₹ 37.29 crore (7.3% of net revenue) as against loss of ₹ 236.16 crore (-62.9% of net revenue) in the previous year.

- Consolidated

Our gross profit on a consolidated basis amounted to ₹ 212.13 crore (41.2% of net revenue) for FY 2021 as against ₹ 135.24 crore (35.6% of net revenue) in the previous year. The gross and net Research and development costs were 20.6% and 7.8% of our net revenue for FY 2021 as compared to 28.8% and 11.1% for FY 2020. Selling and marketing costs were 18.3% (previous year 23.0%) of our net revenue for FY 2021. The General and administrative expenses were 4.4% (previous year 6.2%) of our net revenue for FY 2021. The operating profit amounted to ₹ 2.81 crore (0.5% of net revenue) as against loss of ₹ 164.50 crore (-43.3% of net revenue) in the previous year. The profit before tax was ₹ 22.52 crore (4.4% of net revenue) as against loss of ₹ 138.57 crore (-36.5% of net revenue) in the previous year. The net profit was ₹ 37.54 crore (7.3% of net revenue) as against loss of ₹ 237.12 crore (-62.4% of net revenue) in the previous year.

e. Expenditure on property, plant and equipment – Standalone and Consolidated

On a standalone and consolidated basis, during the year, we incurred expenditure on property, plant and equipment of ₹ 13.62 crore (previous year ₹ 13.41 crore), comprising, ₹ 1.68 crore (previous year ₹ 2.06 crore) in Laboratory equipment, ₹ 0.28 crore (previous year ₹ 0.21 crore) in Networking equipment, ₹ 0.03 crore (previous year ₹ 1.00 crore) in Electrical Installation, ₹ 0.11 crore (previous year ₹ 1.44 crore) in Furniture and fixtures, ₹ 0.22 crore (previous year ₹ 0.82 crore) in Office Equipment, ₹ 1.96 crore (previous year ₹ 0.98 crore) in Computing Equipment, ₹ 8.78 crore (previous year ₹ 6.01 crore) in Cards/Prototypes and ₹ 0.56 crore (previous year ₹ 0.89 crore) in Servers.

f. Capital Expenditure on intangible assets and intangible under development – Standalone and Consolidated

Our intangible assets comprise computer software as well as product development expenditures. Additions of ₹ 2.72 crore made in computer software, as against ₹ 4.83 crore in the previous year. During the year, ₹ 68.14 crore (previous year ₹ 44.60 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 ₹ 65.64 crore (previous year ₹ 67.31 crore) on account of capitalisation of employee benefit expense and other expenses (refer note 23 and note 25 of standalone/consolidated financials). We carry the R&D intangible in two forms - as CWIP and as capitalized product development.

g. Subsidiaries

The Company has 2 subsidiaries (including a stepdown subsidiary) as on March 31, 2021

- Tejas Communication Pte. Limited (wholly owned subsidiary of Tejas Networks Limited)
- Tejas Communications (Nigeria) Limited (wholly owned subsidiary of Tejas Communication Pte. Limited and stepdown subsidiary of Tejas Networks Limited)

Pursuant to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiaries, associates and joint ventures, prepared in accordance with the relevant Accounting Standard specified under of the Act, and the rules thereunder forms part of this Annual Report as provided in Form AOC-1 attached as 'Annexure 1'. Further, the audited financial statements along with other relevant documents are available on the Company's website at www.tejasnetworks.com/financial-information-subsidiaries.php.

The details of the business of the subsidiaries, for the year ended March 31, 2021 are also given in the attached Management Discussion and Analysis.

The Board hereby confirms that:

- *No Company has become or ceased to be, joint venture or associate Company of the Company within the meaning of Section 2(6) of the Act.*
- *There has been no material change in the nature of the business of the subsidiaries.*
- *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 on the Company's website at* www.tejasnetworks.com/policies-codes.php.

h. Liquidity

We are a debt-free Company and maintain sufficient cash to meet our business requirements. We believe that there should be sufficient liquidity in the Balance Sheet to cover financial and business risks and support future growth. Our principal sources of liquidity are cash and cash equivalents and the cash flow we generate from the business.

We have liquid assets of ₹ 363.44 crore and ₹ 364.43 crore on a standalone and consolidated basis respectively as of March 31, 2021 as compared to ₹ 279.84 crore and ₹ 280.27 crore on standalone and consolidated basis respectively as of March 31, 2020.

The cash and cash equivalents on both standalone and consolidated basis include balance and deposits with banks, investment in liquid mutual funds and deposits with financial institutions. The details of these investments and deposits are disclosed under the 'current investments and current financial assets' section in the standalone and consolidated financial statements in this Annual report.

i. Earnings Per share

Basic earnings per share grew by 115.7% to ₹ 4.03 (previous year ₹ (25.66)) at standalone level and by 115.7% to ₹ 4.05 (previous year ₹ (25.76)) on consolidated basis.

j. Dividend

The Board review the Company's ability and necessity to distribute dividends to its Shareholders keeping in view the long term growth plans for the Company. 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, 2021, the Board has reviewed and decided not to recommend any dividend.

In line with Clause 43A of the Listing Regulations, 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.

k. Transfer to reserves

The Board has decided to retain the entire amount of profits for FY 2021 in the profit and loss account and does not propose to transfer amounts to the general reserve out of the amount available for appropriation. An amount of ₹ 39.75 crore on a consolidated basis and ₹ 39.50 crore on standalone basis for the year ended March 31, 2021 is retained in the profit and loss account.

l. Share Capital

During the year under review, the Company has issued 10,29,509 shares consequent to the conversion of the 7,47,337 stock options and 2,82,172 Restricted Stock Units into equity shares of the Company by the eligible employees of the Company and hence the outstanding paid-up equity share capital stands at ₹ 93,24,03,440 comprising of 9,32,40,344 equity shares of ₹ 10/- each fully paid up, as on March 31, 2021.

m. Management's Discussion and Analysis

All 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 discussed in the Report. The Management's 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.

2. Operational Performance

a. Company's overview

Tejas Networks Limited ('Tejas' or 'the Company') is a global optical, broadband and data networking products company with a focus on R&D and Innovation. Tejas designs, develops and manufactures high-performance optical and data networking products that are used by telecom and internet service providers, utilities, government and defence networks. Tejas is currently recognised as a top-10 supplier in the global optical aggregation market (source: Ovum) and our products are deployed in 75+ countries.

Tejas has an extensive portfolio of leading-edge networking products for building end-to-end broadband networks based on the latest technologies and global standards. Tejas products include carrier-grade optical transmission (based on DWDM/PTN/OTN technologies), fiber broadband (based on GPON/NG-PON), broadband wireless (based on LTE 4G/5G) as well as multi-gigabit Ethernet/IP switching and routing products that are fully designed and manufactured in India. Tejas products utilise a novel software-defined hardware™ architecture that enables us to deliver highly differentiated network solutions. Tejas is also one of the leading innovators in India's ICT sector with over 349 patents and a large repository of 300+ silicon IPs and is amongst the top listed companies in India, who spend a large percentage of their revenues in R&D.

Today, all large private telecom operators, telecom PSUs and utilities in India use Tejas products in their networks. Tejas is also the leading domestic supplier of optical and data networking products for various Government of India projects of national importance, having security/strategic implications such as National Fiber Optic Network (BharatNet), defence networks and Smart Cities. Tejas GPON products are installed in over 70,000+ Gram Panchayats and 2500+ towns across India for BharatNet project. Tejas products are also used to deliver public Wi-Fi services in 4000+ railway stations in the country.

We remain committed to reduce our country-concentration on India and expand our export business to achieve 50% of our revenues from international business in the medium term. We have been focusing on four major regions- South and South East Asia, Africa, Middle East and North America and we increased our sales and marketing investments in these regions. We won many new customers and also won new applications from our existing customers.

b. Environment, Health and Safety

The Environmental, Health and Safety policy of the Company has a "No Accident" as one of its main objectives which acts as a key differentiator in driving workplace safety initiatives. There are no reportable accidents or injuries during the year ended March 31, 2021.

The manufacturing unit is certified for conformance to ISO 9001:2015 and ISO 14001:2015 standards. The Company manages occupational health and safety by systematically assessing the hazards and mitigating risks through awareness programs and safety training for employees. The Company also addresses health and hygiene needs at workplace by engaging with occupational health experts and providing advice to proactively manage health and wellness of employees.

A process was put in place to manage risks related to COVID-19 by having standard operating procedures (SOP) based on best practices, including day-to-day health monitoring of all employees and sanitizing the workplace with the highest safety standards.

Effective mechanism and guidelines were implemented for an efficient hybrid working model, that enabled work from home (WFH) when possible and physical presence in the office, labs or factory as and when required.

c. Quality Initiatives

We have established sophisticated design, development and testing infrastructure in-house, which helps us monitor our quality management meticulously. Our optical networking products have received type/interface approvals from the Telecommunication Engineering Centre (TEC) and have received Technical Specification Evaluation Certificate (TSEC) 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/IEC62368-1 in connection with our products. We also comply with European Union directives on electronics waste, Waste of Electrical and Electronics Equipment (WEEE) and Restriction on the use of Hazardous Substances (RoHS). We also recently received the ISO 140001 certification for our effective environmental management system.

d. Research and Development (R&D)

The Company understands that the overall success of the Company lies in its R&D efforts to ensure that our products are globally competitive. Therefore, continuous R&D investments are made to enhance product designs, hardware optimizations, new software, new technology development and adoption of new standards, re-engineering, etc.. Further, the Company's R&D team size has been expanded in order to keep up with the expanding technology aspirations of the Company and also continuing its efforts in enhancing its design, computing, prototype manufacturing and validation facilities.

e. 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.

3. Human Resource

Several key initiatives on the Human Resources (HR) front were initiated during the financial year with the focus areas being on sustaining productivity in a Work from home (WFH) paradigm and keeping up employee morale in these challenging times of COVID-19 pandemic, while ensuring their health and safety. The HR team worked closely with business to make sure that there was minimum disruption during the episodic lockdowns and employees felt safe, consulted and cared for. Based on the latest available information, guidelines for best practices and standard operating procedures (SOP) were released to all employees on a regular basis.

The HR team embarked on a series of interactive virtual sessions with small groups of employees, to get their feedback on the key challenges they faced and suggestions for addressing their concerns. Such issues were highlighted to management and solutions were promptly implemented. Some of the key initiatives taken include, launching a Covid-19 specific medical insurance (in addition to the regular group medical insurance plan), introduction of Covid-19 leave policy, enabling remote attendance check-ins and launching an Employee Wellness Program (EWP) which gives access to employees to trained counselors for confidentially discussing any mental health challenges.

In terms of hiring, the focus this year was primarily on filling open R&D and Sales positions. The hiring process went online and your company pivoted to remote assessment methodologies to take key hiring decisions. We continued to attract talent from premier institutes in the country and successfully completed our campus placement process. All campus new hires were inducted virtually and we also made campus placement offers for next year. Our new onboarding program, the "Tejas R&D Academy" (a technology boot camp for quick ramp-up) went online.

The HR team also facilitated outsourcing with external vendors to help our internal R&D team. The HR team continued to partner with business leaders on key themes of compliance, attrition, succession planning and capability development.

The Prevention of Sexual Harassment (POSH) committee conducted a series of open sessions for all to refresh awareness and sensitization of POSH. Along with this, the committee continued to meet on regular basis to be up-to-speed on the latest happenings in this field, including potential issues in the emerging WFH environment.

The HR team was at the forefront of managing the Covid-19 response across the organization. HR also partnered with other key stakeholders to make sure that the workplace was a safe-space and the recommended Covid-19 SOPs were rigorously followed – instilling the confidence in employees to come in to office/factory, as and when required. Like all progressive organizations, your company followed protocols like mandatory thermal scanning, use of contract-tracing apps, cafeteria redesign to facilitate social distancing, ergonomic redesign of workspaces for minimal surface and person contact, daily cleaning and weekly sanitization of the offices and continued education and vigilance. With everyone's help and support your company was able to navigate these turbulent times and emerge stronger from this experience.

a. Particulars of Remuneration of Executive Directors, Key Managerial Personnel and Employees

The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median of employees' remuneration and statement containing the names of top 10 employees in terms of remuneration drawn as per Section 197(12) of the Act, read with Rule 5(1) clauses (i) to (xii), Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in 'Annexure 7' which forms part of the Board's Report.

The statement containing particulars of employees posted in India throughout the year and in receipt of a remuneration of ₹ 1.02 crore or more per annum, employees posted in India for part of the year and in receipt of ₹ 8.5 lakhs or more a month and employees posted outside India and in receipt of a remuneration of ₹ 60 lakhs or more per annum or ₹ 5 lakhs or more a month is available on the Company's website at www.tejasnetworks.com/disclosures.php.

The Annual Report is being sent to Shareholders excluding the aforesaid exhibit. Shareholders interested in obtaining this information may access the same from Company website or send a written request to the Company.

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

The Company has the following ESOP / RSU Schemes in force.

- Tejas Networks Limited Employees Stock Option Plan – 2014 ("ESOP Plan 2014");
- Tejas Networks Limited Employees Stock Option Plan – 2014-A ("ESOP Plan 2014 - A");
- Tejas Networks Limited Employees Stock Option Plan – 2016 ("ESOP Plan 2016");
- Tejas Restricted Stock Unit Plan 2017 (RSU Plan).

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 are provided in 'Annexure 6' which forms part of the Board's Report. The disclosure as required under the Listing Regulations is available on the Company's website at www.tejasnetworks.com/disclosures.php.

During the year ended March 31, 2021, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved the extension of the Exercise Period of the Employee Stock Option Plan 2014-A and Employee Stock Option Plan 2016 in respect of employees who have not exercised the Stock Options that are vested and remain unexercised in respect of such plans.

The Board hereby confirms that

- *The Employee Stock Option Plans and Employee 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.*

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

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated a policy on prevention, prohibition and redressal of sexual harassment at 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 Company is committed to creating a safe and healthy work environment, where everyone is treated with respect and is able to work without fear of discrimination, prejudice, gender bias, or any form of harassment at workplace. The essence of the policy is communicated to all employees at regular intervals through assimilation and awareness programs. The process laid down facilitates a formal review and investigation of concerns and undertakes appropriate actions required to resolve the reported matters if the allegations were substantiated and the accused personnel were either provided counselling, a written warning or released from their services for prevention and redressal of complaints of sexual harassment at workplace.

Following are some of the programs and initiatives in place to train the employees and the Internal Complaints (IC) for POSH during the year.

- The Employee is required to undergo a mandatory e-learning module on 'Prevention of Sexual Harassment at Workplace'.
- All new joiners are trained in person on Prevention of Sexual Harassment during their induction program.
- The IC Members are provided relevant training by an external agency during quarterly meetings of the IC.
- The Prevention of Sexual Harassment policy is available on the intranet portal for employees to access and refer when required.
- Penal consequences of sexual harassment and the constitution of the IC are displayed at conspicuous places.

The following are the summary of the complaints received and disposed off during FY 2021:

Complaints received	Complaints disposed	Balance pending
0	0	0

The Board hereby confirms that 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) Act, 2013.

d. Industrial and Employee Relations

During the year under review, industrial and employee relations remained harmonious at our factory and at all offices and establishments situated in India and overseas including in subsidiary companies.

4. Directors

a. Appointment and Resignation

There were no appointment and resignations in the Board for FY 2021. However, the Board in its meeting held on April 21, 2021, on the recommendations of the Nomination and Remuneration Committee, recommended to the shareholders to consider re-appointing Sanjay Nayak, (DIN: 01049871), as Director liable to retire by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

b. Continuance of Independent Directorship

Amb. Leela K Ponappa (DIN: 07433990) Independent Director was re-appointed on February 16, 2018 for a period of 5 years and her second term as Independent Director ends on February 16, 2023. Since she will attain the age of 75 years on June 26, 2021 during the term of her current appointment, the shareholders in their 20th Annual General Meeting held on July 28, 2020 and in terms of the Act and SEBI (LODR) Regulations, 2015 approved her continuance of the Independent Directorship till her determination of her term of office.

The Board hereby confirms that as on April 1, 2021, 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 the Listing Regulations.

c. Directors' Responsibility Statement

Pursuant to the provisions contained in Section 134(3) of the Act, the Board confirms that:

- In the preparation of the annual accounts for the financial year ended March 31, 2021, 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 Auditors.
- The Audit Committee meets periodically with the Internal Auditors and the Statutory Auditors to review the manner in which the Auditors are discharging their responsibilities and to discuss audit, internal control and financial reporting issues.
- To ensure complete independence, the Statutory Auditors and the Internal Auditors have full and free access to the Members of the Audit Committee to discuss any matter of substance.

d. Independent Directors Declaration

The Independent Directors have submitted a declaration stating that they meet the criteria of independence and 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, pursuant to Regulation 25 of the Listing Regulations.

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.

Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent as on April 1, 2021:

- Balakrishnan V
- Amb. Leela K Ponappa
- Chandrashekhar Bhaskar Bhave

The Board, based on the declaration of the Independent Directors, hereby confirms that 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 Act and in the Listing Regulations and that as on April 1, 2021, 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.

e. Policy on Director appointment and remuneration

The policy on appointment and remuneration of Directors and Key Managerial Personnel ("the Policy") provides the basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. The policy has been prepared pursuant to the provision of Companies Act, 2013 and Listing Regulations.The Nomination and Remuneration Committee has formulated a policy on Directors' appointment and remuneration and the criteria for determining qualifications, positive attributes and independence of a Director. The Nomination and Remuneration Policy is uploaded on the Company's website at www.tejasnetworks.com/policies-codes.php.

The Board hereby confirms that

- *The appointment of the directors on the Board is based on the recommendation of the Nomination and Remuneration Committee and adopted by the Board and approved by the Shareholders. The appointments are in line with the statutory requirements of the Act, Listing regulations, Company policy and employment contracts 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 Shareholders.*
- *The Independent Directors are paid remuneration by way of Sitting Fees and are also reimbursed of any out of pocket expenses incurred by them for the purpose of the Company. The Independent Directors have been paid Sitting fee of ₹ 1,00,000/- per meeting for attending each Board / Committee Meeting for the year ended March 31, 2021.*
- *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.*

f. Indemnification Agreement

The Company has entered into agreements to indemnify the Directors (incl. officers) for the claims brought against them for action done for and on behalf of the Company to the fullest extent as permitted under applicable laws. These agreements among other things indemnify the Directors and Officers for certain expenses, judgements, fines and settlement accounts incurred by such person in any action or proceedings including any action arising out of such persons services as a Director or officer, expenses in relation to public relations consultation if required.

5. Governance

The Company's governance character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

The Company's governance structure helps to implement the strategy effectively and transparently and to deliver long-term value for the shareholders, employees, business partners and other stakeholders. The Company embraces the principle of shared value, which involves creating economic value in a way that also creates value for the society. The Company emanates its values from the rich governance and disclosure practices followed by certain top governed companies and pursue the financial profitability and value creation for all our stakeholders while improving our social and environmental footprint.

The Company has three-tier of governance structure, viz.:

- **The Shareholders** appoint and authorize the Board of Directors to conduct business ethically, objectively and ensure accountability.
- **The Board** and its committees leads the strategic management on behalf of the stakeholders, exercises supervision through direction and control, and appoints various committees to handle specific areas of responsibilities.
- **The Executive Management** takes up specific responsibilities and day-to-day tasks to attain those strategies and targets set by the Board and the Committees.

The three-tier governance structure, besides ensuring greater management accountability and credibility, facilitates, increased autonomy to the businesses, performance discipline and development of business leaders, leading to increased public confidence.

I. Board Governance

Board Governance is the framework that structures the Board and its operation. At its core, the Board Governance includes the Board responsibilities and organizational well-being. The Company Board's governance guidelines covers aspects relating to composition and role of the Board, Chairman and its Directors, Board diversity, definition of independence, term of Directors, retirement age and committees of the Board. The guidelines also cover key aspects relating to nomination, appointment, induction and development of Directors, Directors remuneration, oversight on subsidiary performances, code of conduct, Board effectiveness reviews and various mandates of Board committees.

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, 2021, the Board consists of six members with One Non-Executive and Non-Independent Director, Two Executive and Whole-time Directors, and Three Non-Executive and Independent Directors. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters which are adopted by the Board, is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

The Committees of the Board are constituted in accordance with the requirements of the Act and Listing Regulations. The details of the constitution of the Committees, no. of meeting 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.

The Board and the Committees of the Board met four (4) times during FY 2021 and all the Board Meeting and Committee Meeting were held through Video-Conference and are in accordance with the guidelines issued by the MCA and by the Securities Exchange Board of India. The intervening gap between any two meetings is within the period prescribed by the Act read with Listing Regulations.

The Board hereby confirms that it has accepted all the recommendations made by all the Committees of the Board including Audit Committee and which requires the Board approval and adoption.

c. Board Performance Evaluation

The Company has devised a performance evaluation framework which sets a mechanism for the evaluation of the Board, Board Committees and individual Directors, in terms of the Act and the Listing Regulations The performance evaluation of the Board, the Committees and each individual Director was carried out through a detailed questionnaire drafted in accordance with the Guidance Note issued by the SEBI. The said performance evaluation was done based on the parameters stated in the aforesaid framework and after taking into consideration the Guidance Note. The details of the process of performance evaluation are given in the Corporate Governance Report which forms part of this Annual Report.

d. Board Diversity

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in 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 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 following amendments were made during the year:

- The Code of Conduct for Intermediaries and Fiduciaries under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- The amended and restated Code of Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- The amended and restated Code of practices and procedures for fair disclosures of unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- The amended and restated policy for determining materiality of event/ Information.

The details of the charter/ policies/ codes as adopted by the Board are provided in 'Annexure 8' to the Board report.

II. Corporate Governance

The Company's Corporate Governance structure revolves around its stakeholder (i.e.) the Shareholders, the Board and its Committees and the Executive Management. By integrating these stakeholders with the workforce and strategic business planning and with the necessary financial and human resources in place, the Company benchmarks its Corporate Governance practices with the best in the World as well as to achieve its objectives in an ethical and transparent manner.

The Report on Corporate Governance for the financial year ended March 31, 2021 along with the Auditor's Certificate on compliance with the provisions of corporate governance under Listing Regulations forms part of this Annual Report.

a. Business Integrity and Ethics

Integrity is one of the fundamental values of your Company. The Company communicates its Code of Business Principles internally and externally. All Company employees are required to undertake mandatory annual training on our Code and which extends through our entire value chain including our 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, 2021 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, 2021 forms part of the Corporate Governance Report.

b. Risk Management

Risk Management is a strategic business discipline that supports the achievement of an organization's objectives by addressing the full spectrum of its risks and managing the combined impact of those risks as an inter-related risk portfolio. Tejas risk management framework proactively identifies, assesses, treats, monitors and reports risks as well as to create a risk-aware culture within the organisation and also acts as a key tool to help achieve its short term and long term business objectives to generate value for its customers, investors, employees and other stakeholders. Tejas risk management framework cover areas exposed to risk and provide a structured process for management of risks and also consider the risks that impact mid-term to long-term objective of the business, including those reputational in nature.

Tejas risk management framework enabled the organization to respond effectively to the crisis situation caused by the COVID-19 pandemic outbreak. The pandemic risk was identified and proactive measures were initiated to ensure customer deliverables were not impacted while also safeguarding the health and safety of Tejas employees. The Chief Operating Officer who is also a Chief Risk Officer is the custodian of the framework and oversight of the framework is provided by the Risk Management Committee to the Board 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.

c. Internal Financial controls

The Company's Internal Control System, commensurate with its size, scale and complexity of its operations. The Company's internal controls ensures that the transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. Further, there are operational controls and fraud risk controls which forms part of internal financial controls. The documented policies, guidelines and procedures and an extensive program of internal audits and management reviews ensures an effective management of internal financial controls. The Audit Committee, comprises of Independent Directors who are all financially literate interacts with the Statutory Auditors and Internal Auditors and the Management in dealing with matters within its terms of reference. To maintain its objectivity and independence, based on the recommendation of Audit Committee, the Board has appointed M/s. Singhvi, Dev and Unni Chartered Accountants LLP as Internal Auditors of the Company reporting to the Chairperson of the Audit Committee. The Audit committee defines the scope and authority of the Internal Auditor. The Internal Auditor evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and reports to the Audit Committee, the significant audit observations and the necessary corrective actions. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Internal Financial Control framework design ensures that the financial and other records are reliable for preparing financial and other statements. The Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test identified key controls. The Internal Auditors also perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting. The Statutory Auditors Report also includes a report on the internal financial controls over financial reporting.

The Board hereby confirms that 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 2021. Further, 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, 2021.

d. Vigil Mechanism / Whistle Blower Policy

The Company has a Whistle Blower Policy and a policy on the reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI) in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and also has established the necessary Vigil mechanism in accordance with the Act and Listing Regulations. The Company's Vigil mechanism / Whistle blower Policy aims to provide the appropriate platform and protection for Whistle blowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Code of Conduct for Prevention of Insider Trading, Code of Fair Practices and Disclosure. All employees and Directors have access to the Chairperson of the Audit Committee. The Company investigates such complaints speedily, confidentially and in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always maintained.

The Vigil Mechanism and Whistle-blower policy is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

The Board hereby confirms that 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 "Nil" complaint has been received during FY 2021.

e. Statutory Compliance System

The Company complies with applicable laws, rules and regulations impacting Company's business through a Compliance Tracking Tool. The tool comprises of Central Acts /Rules and those of State Governments where the Company generally carries on business. Each business head updates the compliances as applicable to their functions they are heading in the compliance tool on a periodic basis which are then reviewed by the Compliance and Legal departments of the Company as well as an Internal Auditors on a periodic basis and updated whenever required. Based on these confirmations, the Managing Director and Chief Executive Officer and Chief Financial Officer gives a compliance certificate to the Board on a quarterly basis.

The Company has a process of verifying the compliances through a random review of the process / system / documentation of the location of the Company. The review is placed before the Board and the existing internal controls are also reviewed. The audit process includes planning the audit, discussion with auditor before audit commencement to explain the scope and purpose of the audit, verifying the compliances based on the supporting documentation and post audit meeting.

f. Code on Insider Trading

The Company has adopted a code of conduct to regulate, monitor and report trading by insiders ("Code") under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all designated employees and insiders who are expected to have access to unpublished price sensitive information. The Company has a policy prohibiting insider trading which is in conformity with applicable regulations of the SEBI and the Listing Regulations. The Trading Window closure/ blackouts/quiet periods, wherein the Directors, employees and insiders are not permitted to trade in the securities of the Company, are intimated in advance to all concerned. The Trading Window is closed 15 days before the end of each financial quarter and opens for trading 2 days after the quarterly financial results are announced. Violations of the policy, if any, are appropriately acted on in accordance with the policy. The Code of Conduct on Insider Trading is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

g. Code of Practices and procedures for fair disclosure of Unpublished price sensitive information

The Company has adopted a code of practices and procedures for fair disclosure of unpublished price sensitive information and maintain minimum standard framework as set out under the under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This framework is to ensure timely and adequate disclosure of Unpublished Price Sensitive Information (UPSI) and shall apply to disclosure of UPSI by the Company, its subsidiaries, associates and the Companies under the same management. The Company shall ensure uniform and universal dissemination of UPSI to avoid selective disclosures. The Code of Practices and procedures for fair disclosure of unpublished price sensitive information is available on the Company's website at www.tejasnetworks.com/policies-codes.php.

h. Financial Statements

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 Act and other relevant provisions. The significant 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 in use.

The Board hereby confirms that

- *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, 2021 do not contain any false or misleading statement or figures and do not omit any material fact 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.*

i. Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has mandated that that the Secretarial Standards on Meetings of the Board of Directors ("SS-1") and Secretarial Standards on General Meetings ("SS-2"), and as approved by the Central Government are mandatory in nature. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

The Board hereby confirm that the Company has duly complied as applicable to the Secretarial Standards issued by the ICSI on Board Meetings, General Meetings and also, the Act as well the Listing Regulations on the Meeting of the Board of Directors and General Meetings.

III. Secretarial Governance

The Company believes that good statutory Compliance system is essential requirement for the successful conduct of business operations and high standards of Corporate Governance. The Company ensures that appropriate business processes and tools are in place for adherence with all the applicable statutory obligations under various regulations across the locations in which the Company conduct its business. The Company has identified key stakeholders across business units, corporate functions who ensure and confirm compliance. The Company also engaged an Independent Consultant to update the list of compliances as applicable. The Compliance report is placed before the Audit Committee on quarterly basis and the Committee updates to the Board at its meetings confirming status of compliances.

a. Appointment/ Resignation of the Key Managerial Personnel

There are no appointments / resignations of the Key Managerial Personnel of the Company during FY 2021.

b. Related party transaction

All related party transactions reported were entered into with the prior approval of the Audit Committee and are at arm's length and in the ordinary course of business. The policy on related party transactions ensures that the proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. The transactions with the related parties as per requirements of Indian Accounting Standard 24 are disclosed in Note 30.6 to the financial statements in the Annual Report and that they are not in conflict with the interest of the Company at large. Further, the interested directors are not present for discussion and voting where any related party transactions being taken up.

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 Board hereby confirms that

- *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.*
- *During the year under review, 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, as applicable.*
- *There are no material related party transactions made by the Company during the year that requires shareholders' approval under the Listing Regulations or of the Act.*

c. Borrowings including Fixed deposits

The Company is debt free and has not accepted any fixed deposit including from the public and as such, no amount of principal or interest was outstanding as of March 31, 2021 as per the provisions of the Act and the Rules framed thereunder. However, the Company has utilized Non- fund based limit of ₹ 103.35 crore (previous year ₹ 162.20 crore).

The Board hereby confirms that 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, 2021.

d. Micro, Small and Medium (MSME) Enterprises

The Company was classified as "Small Enterprise" under the Micro, Small and Medium Enterprises Development Act 2006 (MSME Act) based on the investment criteria and availing all the applicable benefits as allowed under the MSME Act. The Ministry of Micro, Small and Medium Enterprises vide notification dated June 1, 2020 have amended the MSME Act and notified the revised criteria for an enterprise to be classified as Micro, Small and Medium Enterprise based on the investment and turnover criteria which came into effect from July 1, 2020. In view of the said notification, the Company does not meet the criteria or the category to be classified as Micro, Small and Medium Enterprises under the MSME Act and the certificate of Registration (Udyam Registration) is cancelled and the Company is not an MSME with effect from April 1, 2021.

The Company has registered with Trade Receivables Discounting System (TReDS) through a service provider in compliance with Notification issued by Ministry of Micro, Small and Medium Enterprises which requires companies with a turnover of more than ₹ 500 crore to get themselves on boarded on the Trade Receivables Discounting system platform (TReDS), set up by the Reserve Bank of India.

The Board hereby confirms that the due dates for payments are reckoned from the acceptance dates as agreed by the concerned vendors for such goods/services as stipulated in the MSMED Act. Based on such acceptance dates, no delays in payments beyond the stipulated dates prescribed under the MSMED Act have been identified for such vendors.

e. Credit Rating

ICRA Limited have reaffirmed vide its letter dated March 01, 2021 for ₹ 559.86 crore stating that after due consideration by the rating Committee of ICRA, it has reaffirmed the long term rating for the captioned Line of Credit (LOC) at [ICRA] A- (pronounced ICRA A minus) with a Stable outlook. The rating Committee of ICRA has also reaffirmed the short term rating for the captioned LOC at [ICRA] A2+ (pronounced [ICRA] A2 plus).

f. Investor Relations

The Company has an effective Investor Relations Program wherein the Company continuously interacts with the investment community across 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 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.

g. 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 impact on the going concern status and the Company's operations in future. Further, no material litigation was outstanding as on March 31, 2021. The details of litigation on tax matters are disclosed in the financial statements (Refer Note 30.1 to the financial statement in the Annual Report).

h. Material changes and commitments affecting financial position between the end of the financial year and date of the report

There are no reportable matters on the material changes and commitments affecting financial position between the end of the financial year and date of the report.

i. Register of Members

For the purpose of 21st Annual General Meeting and for the financial year ended March 31, 2021, the Register of Shareholders and Share Transfer Books of the Company will remain closed from June 18, 2021 to June 25, 2021 (both days inclusive).

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

The Company makes investments or extends loans/ guarantees to its wholly owned 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 was utilized by the recipient forms part of the Notes to standalone financial attached to this Annual report. During the year, there were no loans, guarantees or investments made by the Company to its wholly owned subsidiaries either for their business purposes or for its emergent business requirements.

k. Business Responsibility Report

Business Responsibility Report as stipulated under the Listing Regulations, 2015 describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Report and annexed herewith.

l. Unclaimed Shares

In line with the circular issued by the Securities Exchange Board of India which states that the transfer of securities held in physical mode is not permitted with effect from April 1, 2019, 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. As and when any shareholders claim, 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 though 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.

m. Reconciliation of Share Capital Audit Report

Based on the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular dated December 31, 2002, a qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the NSDL and CDSL and the total issued and listed equity share capital. The audit report 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. The Report is available on the Company's website at www.tejasnetworks.com/reconciliation-of-share-capital-audit-report.php.

n. Investor Education and Protection Fund (IEPF)

The Companies Act, 2013 read with 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 or unpaid for a period of seven years from the date of transfer has not arisen till date. As such 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. The Details of Unpaid/Unclaimed dividend as on March 31, 2021 is available on the Company's website at www.tejasnetworks.com/shareholders.php.

o. Annual return

In accordance with the Companies Act 2013, the annual return as on March 31, 2021 in the prescribed format is available on the Company's website at www.tejasnetworks.com/disclosures.php.

p. Listing and Custodial Fees

The equity shares of the Company are listed in the National Stock Exchange of India Limited (scrip code: TEJASNET) and BSE Limited (scrip code: 540595) and for the purpose of dematerlisation of shares 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.

The Board hereby confirms that

- *The annual listing fees for FY 2022 has been paid to both National Stock Exchange of India Limited and BSE Limited.*
- *The annual custodial fees for FY 2022 has been paid to NSDL and CDSL.*

6. Audit and Auditors

a. Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016) were appointed by the shareholders in their 17th Annual General Meeting as the Statutory Auditors of the Company for a period of five consecutive years subject to ratification of the said appointment at every annual general meeting. M/s. Price Waterhouse Chartered Accountants LLP has furnished a certificate of their eligibility and consent for their continuance as the Statutory Auditors of the Company for the FY 2022 and also in terms of the Listing Regulations, the Statutory Auditors 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) paid for FY 2021 to M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016) as the statutory auditors of the Company are as follows:

in ₹ crore

Engagement	Fees paid during the year
Statutory audit including limited reviews	0.54
Other audit related services	0.20
Total	0.74

Note: The above fees exclude GST and out of pocket expenses and do not include any element of contingent fees.

b. Internal Auditors

The Board based on the recommendations of the Audit Committee has appointed an Independent auditors M/s. Singhvi, Dev and Unni, Chartered Accountants LLP as Internal Auditors of the Company for the fiscal 2022 to carry out the internal audit functioning for the year ending March 31, 2022. The remuneration in the form of fees (excluding GST) paid for the year ended March 31, 2021 to M/s. Singhvi, Dev and Unni, Chartered Accountants LLP as Internal Auditors of the Company are as follows:

in ₹ crore

Engagement	Fees paid during the year
Audit fees	0.25
Total	0.25

Note: The above fees exclude GST and out of pocket expenses and do not include any element of contingent fees.

c. Secretarial Auditor

The Board based on the recommendations of the Audit Committee has appointed Mr. Dwarakanath C, Practicing Company Secretary (FCS No. 7723 and Certificate of Practice No. 4847) as the Secretarial Auditor of the Company to conduct Secretarial Audit for FY 2022. The remuneration in the form of fees (excluding GST) paid for FY 2021 to Mr. Dwarakanath C, Practicing Company Secretary as the Secretarial Auditor of the Company are as follows:

in ₹ crore

Engagement	Fees paid during the year
Audit fees	0.04
Other audit related services	0.02
Total	0.06

Note: The above fees exclude GST and out of pocket expenses and do not include any element of contingent fees.

d. Cost Auditors

The Ministry of Micro, Small and Medium Enterprises vide notification dated June 1, 2020 have amended the MSME Act and notified the revised criteria for an enterprise to be classified as Micro, Small and Medium Enterprise. The said notification shall come into effect from July 1, 2020. The Company does not fall into any of the category as classified and notified for an enterprise to be classified as Micro, Small and Medium Enterprise. In view of this, the exemption that was granted hitherto is no more applicable and the appointment of Cost Auditor to carry out the Cost Audit is applicable for FY 2021.

The Board of the Company based on the recommendations of the Audit Committee appointed M/s. GNV & Associates, Cost and Management Accountants as Cost Auditors of the Company to conduct Cost Audit for the year ended March 31, 2021. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for year ended March 31, 2021 is provided in the Notice of the ensuing Annual General Meeting.

e. Key Audit Matter

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), Statutory Auditors 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 Auditors 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, 2021.

The Key Audit Matter are those matters which in the opinion of the Statutory Auditors of the Company were of most significance in the Audit of the Standalone / Consolidated IND AS financial statements for the year ended March 31, 2021 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, 2021 as a whole. The Key Audit Matter forms part of the Audit report of Standalone / Consolidated IND AS financial statements.

The Board hereby confirms that

- *The Statutory Audit Report of M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016) for the year ended March 31, 2021 does not contain any qualification, reservation or adverse remark nor instances of fraud committed by the Company, its officers or employees, the details of which would need to be mentioned in the Board's report and the report is unmodified report which is enclosed with the financial statements and forms part of this Annual Report.*
- *The Internal Auditors have stated that 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. Further, the Internal Auditors have stated that they did not note any significant deficiencies which could result in operational or financial risk to the Company.*
- *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, 2021 does not contain any qualification, reservation or adverse remark.*

- *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, 2021 states that the Company has complied with all the applicable SEBI Regulations and circulars/ guidelines issued thereunder.*
- *The Corporate Governance certificate 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, 2021 states that the Company has complied with the stipulations of Corporate Governance as stipulated in the Listing Regulations.*
- *The Statutory Auditors Certificate of M/s. Price Waterhouse Chartered Accountants LLP (Firm registration number No. 012754N/N500016) under SEBI (Share Based Employee Benefits) Regulations 2014 stating that the Company Employee based share schemes have been implemented in accordance with the said regulations.*
- *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.*

7. Cyber Security

The industry has seen a sharp rise in cyber-attacks which focused on spear-phishing and ransomware, impersonation attacks combined with business email compromise targeting financial systems, supply chain cyber, especially with the evolving hybrid-work model where many employees work remotely and away from the physical office. The Company has put effective processes and systems to reduce 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.

The Company as part of its cyber security:

- 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.
- Cyber Threats Monitor which includes threat Intelligence, real time social media, surface web, dark web monitoring, credential disclosure, data leakage identification besides monitoring the web and are secure.
- Brand Monitor - A continual brand scan helps to combat fake pages, imposters, and rogue applications and domains that could harm our brand image and are safe.
- Infrastructure Monitor - Monitors on internet exposed infrastructure, curates a list of all asset-inventory and then periodically monitors misconfigurations, and potential data leakages and are under control and secure.
- Ensured information system resilience and implemented and periodically tested an enterprise-wide Business Continuity Plan and Disaster Recovery Plan.

The Company as part of its cyber security engaged an Independent Cyber Security agency for Cyber Security Posture Assessment and the assessment report shared by the agency states that the company is in secured environment.

8. COVID-19

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID-19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, while we have improved on customer collections, continued uncertainties caused by the pandemic has resulted in some delays in few customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in leadtime for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilises.

The Company does not have borrowings as at year end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic. Assessing the impact assessment of COVID-19 is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

9. Corporate Social Responsibility (CSR)

In pursuance of the CSR Policy and in line with the requirement of the Companies Act, 2013, Tejas spent ₹ 0.98 crore being 2% of the average net profits of the Company for the preceding three years. Tejas, aims to support projects mainly that promote education, energy, health etc. and therefore contributed to recognized Non-Profit Organization. The CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year are 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.

10. Green Initiatives

Electronic copies of the Annual report for the year 2021 and the Notice of the 21st Annual General Meeting are sent to all shareholders whose email addresses are registered with the Company/ depository participant (s). For Members who have not registered their email addresses, physical copies are sent in the permitted mode. To support the "Green Initiative", Members 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.

11. 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.

12. Acknowledgement

We thank our customers, vendors, investors, bankers, financial institution, employees and all other stakeholders for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We also thank the Government of various countries where we operate. We thank 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.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Balakrishnan V	Sanjay Nayak
Chairman	Managing Director and CEO
DIN No: 02825465	DIN No: 01049871

Bengaluru
April 21, 2021

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, 2020 to March 31, 2021	USD	15.03	0.29	19.06	3.98	0.24	5.01	0.17	-	0.17	-	100%

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.
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.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in ₹)	Closing Rate (in ₹)
Tejas Communication Pte Ltd.	USD	74.10	73.11

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/-
Balakrishnan V
Chairman
(DIN:02825465)

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

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

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

Bengaluru
April 21, 2021

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, 2021, 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, 2021 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	Based on transfer pricing guidelines	1.89
		Rendering of Services	Ongoing	Based on transfer pricing guidelines	1.05
		Reimbursement of expenses	Ongoing	Based on transfer pricing guidelines	12.30
Clonect Solutions Private Limited	Entity where a Director is interested	Subscription & Membership expense	Ongoing	Service Agreement	0.05
Darwinbox Digital Solutions Private Limited	Entity where a Director is interested	Professional charges	Ongoing	Service Agreement	0.07
Deshpande Foundation	Entity where a Director is interested	CSR	One time	Based on CSR policy	0.15
Akshaya Patra Foundation	Entity where a Director is interested	CSR	One time	Based on CSR policy	0.10
ICT Academy	Entity where a Director is interested	CSR	One time	Based on CSR policy	0.15
Cloudsek Information Security Private Limited	Entity where a Director is interested	Professional charges	Ongoing	Service Agreement	0.12

[1]Appropriate approvals have been taken for related party transactions

For and on behalf of the Board of Directors

Bengaluru	Sd/- Balakrishnan V Chairman	Sd/- Sanjay Nayak. Managing Director and CEO
April 21, 2021	DIN No: 02825465	DIN No: 01049871

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;	Replacement of existing AC units with high efficient units planned for during this Financial Year was postponed due to Covid-19. Proposals for replacement of existing old AC units with new energy efficient AC is under review and same will be implemented in the due course. Partial replacement of UPS with higher & efficient UPS been done during the FY. Replacement of other UPS with energy efficient higher capacity will be done due course.
The steps taken by the Company for utilizing alternate sources of energy;	No steps were undertaken by the Company for utilizing alternative sources of energy.
The capital investment on energy conservation equipment;	During year under review, the Company had not made any 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 has generated 349 patents and 270+ 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 conceived, designed and developed the following leading-edge products in FY 2021:

- Developed low-cost, low-capacity GPON OLT (1400-1) for cost-effective broadband services.
- Upgraded DWDM platforms with 400Gbps/600Gbps line interfaces.
- Developed IP/MPLS software functionality on our PTN access platform.
- Developed Wireless Access Point for public WIFI service applications.

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, 2021 and March 31, 2020 towards development of the Company's products is as follows:

in ₹ crore

Particulars	Standalone	
	2021	2020
Capital Expenditure	12.23	8.65
Revenue expenditure	106.05	109.40
Total R & D expenditure	118.28	118.05
Total R&D expenditure/ Standalone Revenue net of taxes and components (%)	23.07%	31.44%

(D) Foreign Exchange earnings & outgo

in ₹ crore

Particulars	Standalone	
	2021	2020
Foreign exchange earnings	204.52	143.07
Foreign exchange outgo	201.79	281.83

Annexure – 4

Secretarial Audit Report - for the financial year ended March 31, 2021

[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 Members
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, 2021 **("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 is enclosed as Annexure-1 hereto.

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 Bombay Stock Exchange 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.

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 carried out unanimously, 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.
– the Company during the Audit period didn't have any material unlisted subsidiaries incorporated in India and therefore there is no requirement to undertake Secretarial Audit.

Bengaluru
April 21, 2021

Sd/-
C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN - F007723B000194349

Note: This report is to be read with my letter of even date which is annexed as Annexure-2 hereto and forms an integral part of this report.

Annexure – 1 to Secretarial Audit Report

List of Other Laws Applicable

A. Corporate laws

1. The Depositories Act, 1996 and regulation and bye-laws thereunder

B. Labour laws

1. Shops & Commercial Establishments Act of applicable states;
2. Child Labour (Prohibition and Regulation) Act, 1986;
3. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
4. The Contract Labour (Regulation and Abolition) Act, 1970;
5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
6. The Employees' State Insurance Act, 1948;
7. The Employees Compensation Act, 1923;
8. The Equal Remuneration Act, 1976;
9. The Factories Act, 1948;
10. The Industrial Disputes Act, 1947;
11. The Industrial Employment (Standing Orders) Act, 1946;
12. The Maternity Benefit Act, 1961;
13. The Minimum Wages Act, 1948;
14. The Payment of Bonus Act, 1965;
15. The Payment of Gratuity Act, 1972;
16. The Payment of Wages Act, 1936; and
17. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

C. Taxation laws

1. The Income Tax Act, 1961;
2. The Customs Act, 1961;
3. Service Tax under Chapter V of the Finance Act, 1994;
4. Goods & Service Tax Act, 2017
5. The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976;
6. The West Bengal Tax on Entry of Goods into Local Areas Act, 2012;
7. The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975; and
8. The West Bengal State Tax on Professions, Trades, Calling and Employments Act, 1979.
9. The Maharashtra State Tax on Professions, Trades Callings and Employment Act, 1975; and
10. The West Bengal State Tax on Professions, Trades Callings and Employment Act, 1979

D. Intellectual property laws

1. The Patents Act, 1970; and
2. The Trade Marks Act, 1999

E. Environmental laws

1. The Water (Prevention and Control of Pollution) Act, 1974;
2. The Environment Protection Act, 1986; and
3. The Air (Prevention and Control of Pollution) Act, 1981;
4. The Water (Prevention & Control of Pollution) Cess Act, 1977 and Water (Prevention & Control of Pollution) Cess Rules, 1978

F. Laws & policies applicable to Telecommunication Sector

1. Notifications dated 10th February 2012 and 5th October 2012 of The Department of Information Technology, Ministry of Communications and Information Technology;
2. Electronic Hardware Technology Park Scheme;
3. Public Procurement Policy for Micro and Small Enterprises Order, 2012;
4. Karnataka Electronic System Design and Manufacturing Policy 2013;
5. Foreign Trade Policy 2015-2020;
6. Service Export from India Scheme;
7. Information Technology Act, 2000;
8. Telecom Regulatory Authority of India Act, 1997;
9. Indian Telegraph Act, 1885;
10. Indian Wireless Telegraphy Act, 1933; and
11. Telegraph Wires (Unlawful Possession) Act, 1950

G. Miscellaneous laws

1. The Prevention of Money Laundering Act, 2002;
2. The Micro, Small and Medium Enterprises Development Act, 2006; and
3. The Competition Act, 2002

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

Bengaluru
April 21, 2021

Annexure - 2 to Secretarial Audit Report

To
The Members
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 list of laws applicable to the Company enclosed as Annexure-1 to the Secretarial Audit Report is as confirmed by the management of the Company. The Secretarial Audit Report is neither an assurance nor a confirmation that the list is exhaustive.

7. 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, 2021

Annexure – 5

Corporate Social Responsibility

The practice of Corporate Social Responsibility Policy ('CSR') as a paradigm for firms and businesses to follow has evolved from its early days to the present day realities where it is a business requirement to be socially responsible. This evolution has been necessitated both due to the changed environment under which firms operate as well as the realisation that profits as the sole reason for existence can no longer hold good. At Tejas, our relentless pursuit has always been to not just become a leading telecom networking Company but also one that cares for society. Our mission is to build an inclusive society and to make a meaningful difference to the community around us. We partner with our 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. It is this quest that enthuses us to approach our corporate responsibility with all seriousness. We aim to positively impact not just our financial performance, but our future generations as well. The projects undertaken during the year ended March 31, 2021 are within the broad framework of Schedule VII of the Act.

1. Brief outline on CSR Policy of the Company.

Tejas Networks Limited ('Tejas' or 'the Company') 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:

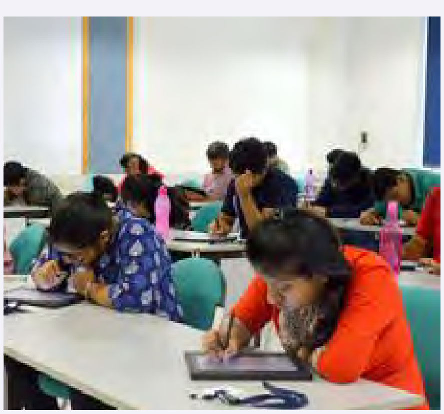
Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Amb. Leela K Ponappa	Chairperson, Independent	4	4
2	Balakrishnan V	Member, Independent	4	4
3	Sanjay Nayak	Member, Non-Independent	4	4
4	Arnob Roy	Member, Non-Independent	4	4

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 and CSR Projects as approved by the Board of the Company is available on its 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).

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 are stated below:

Sl. No.	Name of Institution	Impact Assessment
1	**Akshaya Patra Foundation, Bengaluru** 	**Disaster Management – COVID 19 Relief Efforts - ₹ 0.10 crore** The Donation was used to distribute 45,455 number of cooked meals at ₹ 22/- per meal against COVID lockdown to the needy individuals and their families as part of the Foundation's COVID relief efforts.
2	**ICT Academy, Chennai** 	**Education - Certificate course on Optical Communication Hardware and Networking - ₹ 0.15 crore** • The objective of the program is to focus on training, skills development and mentoring students on futuristic industry oriented telecommunication skills and to help them to map their career in telecommunication skills. • Program duration – 120 hours with 526 beneficiaries comprising of final year students of the Engineering stream across the Engineering Institutions located across the State of Tamilnadu.
3	**Sri Aurobindo Society, Puducherry** 	**Education - Development of Digital Platforms -Learning Management - ₹ 0.20 crore** • Project Inclusion' aims to develop a Learning Management System and digital content for the training of teachers of students with Neuro-Developmental Disorder (NDD) so as to give them equal and quality education. The Project worked to strengthen inclusive education in Tripura, Dadra, Nagar and Haveli, Andaman and Nicobar Islands and Jharkhand. • The quantitative outcomes of the project are Teachers oriented: 1,574; Screened cases of NDD: 1,273; Psychometric Assessment of Screened Cases of NDD: 1,656. • Increased Awareness among teachers post training: 1% to 30%, Teachers correctly identified students with NDD: 71%, Teachers participated proactively by submitting case studies : 59%
4	**The International Institute of Information Technology, Bengaluru** 	**One time Education - Research Proposal on ML-based Network Node Reliability Prediction - ₹ 0.25 crore** Two research contributions have been made so far in this CSR funded project. • A novel proposal for an implementable non-intrusive failure prediction mechanism for deployed network nodes using information from log files of those devices. It also proposed architecture for non-intrusive failure prediction. It then proposed a directed acyclic graph (DAG) based failure prediction mechanism. Numerical results show that the mechanism has near perfect accuracy in predicting failures of individual network nodes. • Extending and generalizing the network node failure prediction mechanism by applying formal approach of data augmented Bayesian networks (BN). Data augmentation is applied to generate the conditional probabilities assuming power law distribution for failure occurrences. The BN uses these probabilities and predicts failures as events occur in real time. Numerical results show that network node failure prediction can be performed with high accuracy even with artificial data augmentation.

5	**The Deshpande Foundation, Hubballi** 	**Education - Skill in Village Program - ₹ 0.15 crore** • The Foundation creates an ecosystem that nurtures entrepreneurial mindsets to impact grassroots problems through innovation, collaboration and sustainability. The foundation realized that a better social impact could be achieved by refining the pedagogical practices early in childhood education. The foundation works on the concept of Innovate, Impact and Empower. • The foundation imparts 21st century skills and Life skills to Students and trained teachers for language and life skills in 5 schools supported in Shirhatti Taluk of Gadag District, reached 200+ students studying in 3rd standard to 9th standard by imparting to school students, the communication, critical & creative thinking, culture, public speaking, listening, time management etc. Further, 90+ teachers trained for language and life skills classes.
6	**Katha, New Delhi** 	**Education - Initiative in creating a nation where every child is a Reader-Leader - ₹ 0.13 crore** Katha creates programs for children to access and read holistic, relevant books and through education, become agents of change. Of 150 million children in school in India in K-5, 50% cannot read at grade level, leading to poor school performance and entrenched poverty. Katha programs encompass five elements: high-quality reading content creation which fosters critical thinking and problem-solving skills; story pedagogy, technology-powered portal, partnerships, and cultural inclusivity. Katha's mission is to empower socio-economically disadvantaged children as they read for joy and meaning and guide them towards creating a sustainable world. Program impact [Jan-March 2021] includes creation of 3 books, 3 ebooks, 3 translations, 3 courses and 12 activities on LMS, 2 training workshops for 10 facilitators.

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 of the company as per section 135(5) - ₹ 48.55 crore

7. (a) Two percent of average net profit of the company as per section 135(5)	₹ 0.98 crore
(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, 2021 (7a+7b- 7c)	₹ 0.98 crore

8. a) CSR amount spent or unspent for the financial year ended March 31, 2021

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.
0.98 crore	Nil	Nil	Nil	Nil	Not applicable

b) Details of CSR amount spent against ongoing projects for the financial year ended March 31, 2021:

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, 2021:

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)	0.98 crore
2	Total amount spent for the Financial Year	0.98 crore
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 Rs.).	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).

The Company has fully spend the entire amount of CSR of ₹ 0.98 crore for the year ended March 31, 2021 and there is "Nil" balance to be contributed as CSR contribution for the year ended March 31, 2021.

Bengaluru April 21, 2021	Sd/- Amb. Leela K Ponappa Chairperson, CSR Committee	Sd/- Sanjay Nayak Managing Director and CEO

Disclosure of Interest

- Balakrishnan V, Chairman of the Board and Member of the CSR Committee is in the Board of Governors in ICT Academy, Chennai. He was also in the Board of the Akshaya Patra Foundation, Bangalore as Trustee and resigned during the year.
- Dr. Gururaj Deshpande, Non-Executive and Non-Independent Director of the Board is a co-founder of the Deshpande Foundation, Hubballi.
- Sanjay Nayak, Managing Director and CEO and a Member of the Board and CSR Committee is in the Board of Deshpande Foundation, Hubballi as Trustee.
- Arnob Roy, Whole-time and COO and a Member of the Board and CSR Committee is in the Board of Deshpande Foundation, Hubballi as Trustee.

Certification by the Chief Financial Officer

I, Venkatesh Gadiyar, Chief Financial Officer, Tejas Networks Limited hereby 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 four directors of which two are independent director with the Chairman of the Committee being an Independent Director.
- The CSR Committee identifies the activities to be undertaken as per Schedule VII of the Companies Act, 2013 and recommend the amount of expenditure to be incurred on such activities and the locations for carrying out CSR activities.
- The Company has fully spent the amount of CSR that has to be contributed by the Company as prescribed under Section 135 of the Act and there is "NIL" amount that is unspent.
- The implementation and monitoring of CSR Policy, is in accordance and in compliance with CSR objectives and Policy of the Company.
- The CSR activities undertaken by the Company do not include the activities that are in the normal course of business of the Company nor carried out for fulfilment of any other statutory obligations under any law in force in India.
- The CSR activities have been carried out in India and not outside India.
- The CSR contribution has not been made to any political party either directly or indirectly nor on activities on sponsorship basis for deriving marketing benefits for its products or services.
- The CSR contribution is not made to benefit of the employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 nor the employees' families either directly or indirectly.
- 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, 2021	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. ESOP Plan 2014 was subsequently modified pursuant to the Shareholders' resolutions dated March 28, 2016 and November 19, 2016. Pursuant to ESOP Plan 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014, shall not exceed 71,01,767 Equity Shares. The ESOP Plan 2014 is compliant with the SEBI Regulations and the Act.

The details of the ESOP Plan 2014 as on March 31, 2021 are given below:

ESOP Plan 2014	
Options granted	69,26,635
Options vested	68,78,563
Options exercised	51,87,805
Total number of shares arising as a result of exercise of option	51,87,805
Options lapsed	1,08,880
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	₹ 33.72 crore
Total number of options in force	16,29,950
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. ESOP Plan 2014-A was subsequently modified pursuant to the Shareholders resolution dated November 19, 2016. 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, 2021 are given below:

ESOP Plan 2014-A	
Options granted	19,78,215
Options vested	19,03,847
Options exercised	5,69,358
Total number of shares arising as a result of exercise of option	5,69,358
Options lapsed	1,38,725
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	₹ 4.84 crore
Total number of options in force	12,70,132
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. ESOP 2016 was subsequently amended pursuant to the Shareholders resolution dated November 19, 2016. 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, 2021 are given below:

ESOP Plan 2016	
Options granted	26,26,415
Options vested	24,46,390
Options exercised	7,15,201
Total number of shares arising as a result of exercise of option	7,15,201
Options lapsed	3,17,505
Exercise price	Weighted average exercise price of options granted - ₹ 86.29/-
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	₹ 6.18 crore
Total number of options in force	15,93,709
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 2017")

The Company pursuant to resolutions passed by the Board and the Shareholders, dated August 02, 2017 and September 27, 2017, respectively has adopted RSU 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 2017 shall not exceed 30,00,000 (Thirty Lakhs). The RSU 2017 is compliant with the SEBI Regulations and the Act.

The details of the RSU 2017 as on March 31, 2021 are given below:

RSU 2017	
RSU granted	19,71,840
RSU vested	8,76,933
RSU exercised	3,92,964
Total number of shares arising as a result of exercise of RSU	3,92,964
RSU lapsed*	3,65,385
Exercise price	₹ 10/-
Variation of terms of RSU	Nil
Money realized by exercise of RSU	₹ 0.39 crore
Total number of units in force	12,13,491
Employee-wise detail of RSU's 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 RSU amounting to 5% or more of RSU granted during the year.	Yeshoda Reddy 12,000 Amit Kumar 3,000 Amit Agrawal 5,500
(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.*

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

Annexure – 7

Particulars of Employees

As prescribed in Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each Director to the median employee's remuneration is required to be disclosed in the Director's Report. The tables below specify the details of remuneration of the Directors and Key Managerial Personnel, in compliance with the above stated provisions.

I.

Particulars	Disclosures
The ratio of the remuneration of Managing Director to the median remuneration of the employees of the Company for the financial year	8
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Sanjay Nayak, MD and CEO had a decrease of 21% in FY 2021 as compared to FY 2020 due to reduction in performance linked variable pay of FY 2021 Arnob Roy, COO and Whole-time director had a decrease of 20% in FY 2021 as compared to FY 2020 due to reduction in performance linked variable pay of FY 2021 Venkatesh Gadiyar, CFO had a decrease of 21% in FY 2021 as compared to FY 2020 due to reduction in performance linked variable pay of FY 2021 N R Ravikrishnan, Company Secretary had a decrease of 9% in FY 2021 as compared to FY 2020 due to reduction in performance linked variable pay of FY 2021
The percentage increase in the median remuneration of employees in the financial year	3.34%
The number of permanent employees on the rolls of Company as of March 31, 2021	785
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average decrease in salaries excluding KMP is 2.81% and the KMP had an average decrease in their salaries by 19.47%
Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

Notes: Computation does not include the perquisite value of stock options exercised or the value of stock options/RSUs granted during the period.

II. Top 10 Employees on rolls of the Company in terms of remuneration drawn during FY 2021:

Employee Name	Designation	Age	Educational Qualification	Experience in years	Location	Date of Commencement of employment	Gross Remuneration (in ₹)*	Perquisites on exercise of stock options (in ₹)#	Total Remuneration (in ₹)	Previous Employment and Designation
Murali R	Group Advisor - Business Planning	72	CA	37	India	28-Aug-06	12,34,394	2,05,53,662[1]	2,17,88,056	Sundaram Clayton Ltd, Senior Vice President
Sanjay Nayak	CEO & Managing Director	57	MS. ECE, North Carolina State University, Raleigh, USA	34	India	06-May-00	1,61,79,417	10,11,970[2]	1,71,91,387	Synopsys India, Managing Director
Robert Stephen Adams	Vice President - Business Development & Cto, North America	57	Masters in Computer Engineering, University of Nebraska, Lincoln, USA	22	USA	14-Oct-19	1,69,50,532	-	1,69,50,532	Infinera Inc (USA) – VP
Paul Harrison	Senior Vice President - Sales North America	60	MS. Marketing, Coventry Univeristy Business School	34	USA	01-Jul-19	1,65,72,078	-	1,65,72,078	Infinera Inc (USA), VP Metro Sales
Yamen Gueddes	Director, Sales	42	MBA in Business Administration, Ecole National D'Ingenieurs De Tunis	16	Dubai	01-Mar-20	1,43,31,600	-	1,43,31,600	Nokia (Dubai), – Sales
Arnob Roy	Whole-time Director & Chief Operating Officer	57	MS. CS, University of Nebraska, Lincoln, USA	32	India	10-May-00	1,15,42,692	-	1,15,42,692	Synopsys India, Senior Manager
Kumar N Sivarajan	Chief Technology Officer	55	MS. & PhD, EE, California Institute of Technology, Pasadena,USA	30	India	01-May-00	1,01,21,328	8,95,647[3]	1,10,16,975	Indian Institute Of Science, Associate Professor
Allan Phillips	Group Director International BD	55	BE. CS, Acadia University	35	USA	12-Apr-10	1,07,41,481	-	1,07,41,481	Yokogawa, (USA), Product Manager
Ranajit Hajra	Executive Vice President, NSG	55	MBA, The Nottingham Trent University UK	31	India	02-Jul-18	92,19,729	13,91,835[4]	1,06,11,564	Alcatel Lucent India Limited/Nokia, Regional Director
Rajiv K Mahajan	Senior Vice President	54	MS In Software Systems, BITS Rajasthan	32	India	07-May-15	67,21,715	26,49,438[5]	93,71,153	3 COM (I) PVT LTD – Regional Manager (North &East India) – SAARC Countries

**Salary includes fixed pay, retiral benefits for FY 2021 and performance linked variable pay of FY 2020 but paid in FY 2021.*

#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.

[1]Perquisite value on the exercise of 1,78,251 ESOP's during FY 2021

[2]Perquisite value on the exercise of 41,538 ESOP's/RSU's during FY 2021

[3]Perquisite value on the exercise of 2,26,934 ESOP's/RSU's during FY 2021

[4]Perquisite value on the exercise of 10,863 RSU's during FY 2021

[5]Perquisite value on the exercise of 30,875 ESOP's/RSU's during FY 2021

Employees mentioned above are neither relatives of any directors of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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.	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.	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.	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.	www.tejasnetworks.com/main-control/download/Supplier%20Code%20of%20Conduct.pdf

Management's 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 optical and data networking products that are sold to telecommunications service providers, internet service providers, utility companies, 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, broadband 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 base stations, 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 optical transmission equipment 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, 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 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 4G and 5G networks for mobile and fixed broadband and increased penetration of high-speed, fiber-based home broadband is driving the global demand for all-pervasive, higher capacity fiber optic networks based.

The telecom and internet service providers are investing significant capex to upgrade their optical networks and this presents a robust growth opportunity for our industry. A combination of factors such as, increased adoption of home broadband, high-speed mobile broadband, 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 optical network equipment market. The continuing global trend of increased data consumption by consumers, enterprises and intelligent devices is a favorable driver for our business. With internet becoming more ubiquitous and use of high-bandwidth services such as video streaming, social networking and e-commerce becoming commonplace, there is a dramatic increase in data traffic in telecom networks. The global outbreak of COVID-19 and stringent social distancing restrictions are accelerating this trend. As a result, telecom operators are increasing capital investments in optical transmission and broadband access equipment to ensure that mobile and home broadband services are delivered with requisite quality and in cost-effective manner. 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 are growing faster than other geographies since developing countries have huge pent-up demand for optical fiber and fiber-based equipment in the access and backhaul to serve an exponential growth in high-speed data traffic driven by expansion of 4G networks while preparing for impending 5G rollouts, fiber-to-the-home (FTTH) and fixed wireless access (FWA) applications for broadband access, and growing bandwidth consumption by consumers and businesses due to preference for video-conferencing, video calling and virtualied events. India is expected to have one of the highest compounded annual growth rate (CAGR) of optical capex in the coming years and one of the highest proportion of optical capex to total telecom capex in the world in the next few years. The recent pandemic caused by COVID-19, has accelerated the need for high-bandwidth, reliable and secured networks, given the new trends such as work-from-home, remote learning, telemedicine, entertainment, e-commerce, e-Governance etc.

The demand for optical transmission will be driven by the following factors:

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 base-stations will be placed much more closer than the 4G base-stations. In India, less than 30% of around 600,000 cell sites are currently fiberized (compared to 70-80% in developed countries) which is expected to increase to 60% by 2023. Overall, India has approximately 735 million mobile broadband subscribers today (source: TRAI statistics, March 2021) but the rural subscription base is ~30% so there continues to be a latent demand for higher speed 4G services, especially in smaller towns and rural areas.

While the number of mobile broadband subscribers in India is close to 740 million, less than 25 million homes have a wired broadband connection as of March 2021 (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 100 million by 2023. 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 5 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 only be served on optical fiber. The total optical capex invested in optical networks is directly linked to the connection speed and level of fiberisation thus driving demand for optical products.

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. As per ITU, over 150 countries around the world, primarily in the developing countries of Asia, Africa and Latin America have announced 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 by 2023. Other large government projects such as pan-India defence networks, network transformation projects in the power and rail sectors, Smart and Safe City projects also have a large optical capex component.

Impact of COVID-19 pandemic

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, while we have improved on customer collections, continued uncertainties caused by the pandemic has resulted in some delays in few customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large -scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilises.

The Company is debt-free and does not have any borrowings as at year end. In the view of the management, there would be no adverse impact on the liquidity position of the company based on the evaluation of cash flows for the next one year. As at March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic and the same is reflected in our financials.

Assessing the impact of COVID-19 is however a continuing process, given the uncertainties associated with its nature and duration and the Company will continue to closely monitor the future situation.

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. Our authorised share capital is ₹ 176.45 crore divided into 17,64,52,000 shares of ₹ 10 each.

During the year ended March 31, 2021, the Company has issued 10,29,509 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 ₹ 93,24,03,440 comprising of ₹ 9,32,40,344 equity shares of ₹ 10 each fully paid up, as on March 31, 2021.

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, 44,93,791 options have been granted and are outstanding as on March 31, 2021. The Company does not plan to grant any new options from the pool available from the aforesaid ESOP schemes.

Pursuant to Shareholders 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 20,500 RSUs were granted and an aggregate of 12,13,491 RSUs is outstanding as on March 31, 2021.

2. Other equity

Securities premium reserve

On standalone and consolidated basis, the share premium account increased from ₹ 937.80 crore as at March 31, 2020 to ₹ 951.27 crore as at March 31, 2021. The increase in share premium is due to the issue of shares during the year on account of exercise of employee stock options totalling ₹ 4.67 crore. In accordance with Ind AS 102, a sum of ₹ 8.80 crore was transferred from employee stock compensation reserve to securities premium reserve.

Employee stock compensation reserve

On standalone and consolidated basis, the employee stock compensation reserve decreased from ₹ 33.92 crore as at March 31, 2020 to ₹ 33.12 crore as at March 31, 2021, on account of ESOP as well as RSU grants resulting in employee share based payment expenses of ₹ 8.00 crore (previous year ₹ 11.20 crore) as per Ind AS 102 and transferring ₹ 8.80 crore (previous year ₹ 4.30 crore) to securities premium reserve.

Retained earnings

On a standalone basis, the balance in retained earnings as at March 31, 2021 and March 31, 2020 was ₹ 52.06 crore and ₹ 12.56 crore respectively. On a consolidated basis, the balance retained in the surplus as at March 31, 2021 and March 31, 2020 was ₹ 52.28 crore and ₹ 12.53 crore respectively. The increase during the current year on a standalone basis and consolidated basis was on account of profits to the extent of ₹ 39.50 crore and ₹ 39.75 crore respectively. 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 2021, the Board has reviewed and decided not to recommend any dividend.

Networth

On a consolidated basis our networth has increased to ₹ 1,134.20 crore as at March 31, 2021 compared to ₹ 1,080.94 crore as at March 31, 2020. Our book value per share increased to ₹ 121.64 as of March 31, 2021 from ₹ 117.23 as of March 31, 2020.

B. Application of funds

3. Property, plant and equipment

Additions to gross block

On a standalone basis and consolidated basis, during the year, we incurred expenditure on property, plant and equipment of ₹ 13.62 crore (previous year ₹ 13.41 crore), comprising ₹ 1.68 crore (previous year ₹ 2.06 crore) in Laboratory equipment, ₹ 8.78 crore (previous year ₹ 6.01 crore) in Cards/Prototypes, ₹ 0.11 crore (previous year ₹ 1.44 crore) in Furniture and Fixtures, ₹ 1.96 crore (previous year ₹ 0.98 crore) in Computing Equipment, ₹ 0.56 crore (previous year ₹ 0.89 crore) in Servers, ₹ 0.03 crore (previous year ₹ 1.00 crore) in Electrical Installation, ₹ 0.22 crore (previous year ₹ 0.82 crore) in Office Equipment and ₹ 0.28 crore (previous year ₹ 0.21 crore) in Networking equipment.

Deductions to gross block

During the year, we deducted from the gross block ₹ 0.06 crore on Office Equipment (₹ Nil crore in the previous year), ₹ 0.02 crore on Computing Equipment (₹ Nil crore in the previous year), ₹ Nil crore of Furniture and Fixtures (₹ 0.01 crore in the previous year) and ₹ Nil crore on Electrical Installation (₹ 0.01 crore in the previous year).

Capital expenditure commitments

We have a capital expenditure commitment of ₹ 1.29 crore as at March 31, 2021, as compared to ₹ 1.88 crore as at March 31, 2020.

4. Intangible assets and Intangible under development

Our intangible assets comprises of computer software as well as product development expenditure. Additions of ₹ 2.72 crore was made in computer software, as against ₹ 4.83 crore in the previous year. During the year, ₹ 68.14 crore (previous year ₹ 44.60 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 ₹ 65.64 crore (previous year ₹ 67.31 crore) on account of capitalisation of employee benefit expense (refer note 23 of standalone/consolidated financials).

During FY 2020, Company recognised an impairment loss on account of ₹ 37.10 crore related to intangible assets under development and ₹ 32.77 crore related to carrying value of product development. However, as on March 31, 2021, Management has carried out an impairment evaluation of its intangible assets under development 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 valuein-use method.

5. Inventories

On a standalone and consolidated basis, during the year ended March 31, 2021 inventory reduced by ₹ 38.34 crore and the inventory balance was ₹ 213.65 crore as at March 31, 2021, compared to ₹ 251.99 crore as at March 31, 2020. Inventory days outstanding (based on gross revenues) decreased to 134 days as at March 31, 2021 as against 211 days as at March 31, 2020.

We will continue to make use of the existing inventory during next year and try to reduce our inventory levels. However, due to the ongoing global shortage of semiconductor chips, which has resulted in significantly increased lead time for certain components, we may be required to place component orders in advance for certain long-lead items. Our focus will be on managing the inventory carefully and secure our supplies. However, the uncertainty in the semiconductor component industry can result in adverse impact on the execution of customers order and may impact revenues during FY 2022.

6. Financial assets

a) Investments

Investment in subsidiaries is carried at cost as per Ind AS 27, Separate Financial Statements. Investment includes ₹ 10.87 crore (previous year ₹ 10.87 crore) investment in the 100% subsidiary company Tejas Communications Pte Ltd.

Other investment comprise of investment in liquid mutual funds amounting to ₹ 37.37 crore as at March 31, 2021 (previous year ₹ 50.97 crore), and investment in ELCIA ESDM cluster of ₹ 11,000/- as at March 31, 2021 (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 ₹ 403.85 crore and ₹ 444.52 crore as of March 31, 2021 and March 31, 2020, respectively. On a consolidated basis, trade receivables amounted to ₹ 414.00 crore and ₹ 455.91 crore as of March 31, 2021 and March 31, 2020, 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) decreased by 123 days primarily due to better collection and higher revenues during the year to 259 days as at March 31, 2021, compared to 382 days as at March 31, 2020.

Overdue payments from BSNL for Bharatnet project are continuing to come, but at a slow pace. During the year we collected ₹ 62 crore from BSNL/BBNL. We expect to collect the majority of the balance outstanding overdue amount from BSNL/BBNL during FY 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 provision matrix to compute the expected credit loss allowance for trade receivables. The movement in ECL during FY 2021 is as follows:

in ₹ crore

Particulars	Standalone	Consolidated
Loss allowance as on April 01, 2020	26.98	35.30
Changes in loss allowance	12.49	14.76
Loss allowance as on March 31, 2021	39.47	50.06

c) Cash and cash equivalents

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Bank balances and deposits with original maturity up to three months	52.44	66.05	53.43	66.48
Bank balances other than above				
Deposits with original maturity of more than 3 months and upto 12 months	164.09	76.71	164.09	76.71
Deposits with original maturity of more than twelve months	1.54	1.11	1.54	1.11
Investment in mutual funds	37.37	50.97	37.37	50.97
Deposits with financial institutions disclosed under other current financial assets	108.00	85.00	108.00	85.00
Cash and cash equivalents including margin money	363.44	279.84	364.43	280.27

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 ₹ 83.6 crore and stood at ₹ 363.44 crore as at March 31, 2021, as compared to ₹ 279.84 crore as at March 31, 2020. 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 ₹ 84.16 crore and stood at ₹ 364.43 crore as at March 31, 2021, as compared to ₹ 280.27 crore as at March 31, 2020. 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, 2021 includes ₹ 13.85 crore in Tata Liquid Fund Direct Plan Growth, ₹ 12.47 crore in Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option, ₹ 5.45 crore in Axis liquid fund Direct Growth - CFDG, ₹ 2.68 crore in Aditya Birla Sun Life Liquid Fund - Growth Direct Plan, ₹ 2.62 crore in ICICI Prudential Liquid Fund Direct Plan Growth and ₹ 0.30 crore in DSP Liquidity Fund - Direct Plan – Growth.

Deposits with financial institutions as at March 31, 2021 comprise of deposit with Bajaj Finance Limited of ₹ 60.00 crore and HDFC Limited of ₹ 48.00 crore.

d) Loans

On a consolidated and standalone basis, outstanding balance in loans to employees has decreased to ₹ 0.35 crore and ₹ 0.17 crore as at March 31, 2021 respectively compared to ₹ 1.07 crore and ₹ 0.97 crore respectively as at March 31, 2020. The current and non-current security deposits comprises of earnest money deposit and other deposits receivable in cash. No expected credit loss allowance has been created for security deposits, since the Group considers lifetime credit risk of these to be very low.

e) Other financial assets

The details of other financial assets are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Unbilled Revenue	-	5.72	-	5.91
Interest accrued but not due	1.01	0.68	1.01	0.68
Foreign exchange forward contracts	1.00	-	1.00	-
Total	2.01	6.40	2.01	6.59

Unbilled revenue is revenue in excess of billing and represent the right to consideration in exchange of deliverables which are conditional upon passage of time. During the current year, unbilled revenue has been reclassified with Trade Receivables.

Interest accrued but not due of ₹ 1.01 crore on the deposits kept with financial institutions and banks as on March 31, 2021 (previous year ₹ 0.68 crore)

During the current year, Company has entered to forward contracts to cover the exchange risks. As on March 31, 2021 the forward contract receivables is ₹ 1.00 crore (previous year Nil)

7. Other assets

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

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Non-current				
Pre-paid gratuity contributions (asset)	0.11	-	0.11	-
Prepaid expenses	0.20	0.14	0.20	0.14
Capital Advances	0.09	0.02	0.09	0.02
Balances with government authorities (other than income taxes)	6.58	6.81	6.58	6.81
Current				
Advances to suppliers	38.90	18.16	35.38	18.17
Advances others	0.02	0.02	0.02	0.02
Balances with government authorities (other than income taxes)	11.93	18.35	11.94	18.35
Prepaid expenses	2.24	0.93	2.26	0.96
Advances to employees	0.37	-	0.37	-
Total	60.44	44.43	56.95	44.47

During the year, on a consolidated basis advances to suppliers has increased primarily due to advance payment to few vendors to secure the inventory on time, stood at ₹ 35.38 crore as at March 31,2021 from ₹ 18.17 crore as at March 31, 2020.

8. Tax assets

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Income Tax Asset (net)	62.61	47.80	62.61	47.80
Deferred Tax Asset	56.72	41.70	56.72	41.70
Total	119.33	89.50	119.33	89.50

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 ₹ 10.04 crore of interest recognized on the income tax refund on account of the receipt of the order giving effect for few assessment years.

On Standalone basis the Company continues to pay the income tax on MAT basis. During the current year, since the company had brought forward book losses, the company has not accrued and paid any income tax. However, the company has recognized deferred tax on MAT credit amounting to ₹ 44.14 crore and has charged off deferred tax to the extent of ₹ 29.12 crore on account of timing differences and utilization of carry forward losses towards the projected future profitability. As a result during the year, the Company recognized a net deferred tax credit of ₹ 15.02 crore.

9. Financial liabilities

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

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Trade payables for goods & services	98.29	77.92	92.22	74.77
Lease Liabilities	21.90	27.88	21.90	27.88
Due to employees	16.35	14.47	16.98	15.04
Capital Creditors	0.95	1.42	0.95	1.42
Accrual for expenses	28.52	23.58	29.15	25.69
Unpaid dividend	0.03	0.03	0.03	0.03
Other liabilities	0.15	0.09	0.15	0.09
Total	166.19	145.39	161.38	144.92

Trade payables for goods & services stood at ₹ 92.22 crore as at March 31, 2021 as compared to ₹ 74.77 crore as at March 31, 2020 on a consolidated basis. On a consolidated basis, amount due to employees increased from ₹ 15.04 crore as at March 31, 2020 to ₹ 16.98 crore as at March 31 2021, comprising of the employee compensation benefits (including yearend performance linked variable pay) payable as of the respective year end. Accrual for expenses increased from ₹ 25.69 crore as at March 31, 2020 to ₹ 29.15 crore, as at March 31, 2021. On a consolidated basis, our days payable outstanding (DPO) decreased by 2 days to 115 days as at March 31, 2021, compared to 117 days as at March 31, 2020.

10. Other liabilities

The details of other financial liabilities are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Advances received from customers	1.25	0.29	1.65	0.38
Deferred revenue	2.07	2.60	2.07	2.60
Statutory dues	6.50	4.13	6.67	4.28
Total	9.82	7.02	10.36	7.26

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.

11. Provisions

The details of provisions are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Non-current provisions				
Warranty	0.69	0.59	0.69	0.59
Current provisions				
Compensated absences	4.70	4.19	4.70	4.55
Warranty	0.52	2.89	0.52	2.89
Total	5.91	7.67	5.91	8.03

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			
	2021	%	2020	%	2021	%	2020	%
Revenue net of taxes and component sales {Revenues(net)} (A)	512.71	100.0	375.45	100.0	514.82	100.0	379.79	100.0
Cost of Sales	258.05	50.3	193.11	51.4	258.05	50.1	193.11	50.8
Manufacturing Expenses	14.07	2.7	14.74	3.9	14.07	2.7	14.74	3.9
Service Expenses	30.57	6.0	36.70	9.8	30.57	5.9	36.70	9.7
Total Cost of Goods Sold (B)	302.69	59.0	244.55	65.1	302.69	58.8	244.55	64.4
Gross Profit (C) = (A) - (B)	210.02	41.0	130.90	34.9	212.13	41.2	135.24	35.6
Operating Expenses:								
Research & Development (Gross)	106.05	20.7	109.40	29.1	106.05	20.6	109.40	28.8
Less: R&D Capitalized	(65.64)	(12.8)	(67.31)	(17.9)	(65.64)	(12.8)	(67.31)	(17.7)
Research & Development (Net)	40.41	7.9	42.09	11.2	40.41	7.8	42.09	11.1
Selling, Distribution & Marketing	92.38	18.0	82.46	22.0	93.96	18.3	87.32	23.0
General & Administrative	22.64	4.4	23.18	6.2	22.83	4.4	23.41	6.2
Operating Expenses (Net) (D)	155.43	30.3	147.73	39.3	157.20	30.5	152.82	40.2
Profit/ (Loss) from operations (EBITDA) (E) = (C) - (D)	54.59	10.6	(16.83)	(4.5)	54.93	10.7	(17.58)	(4.6)
Other Income	24.81	4.8	24.66	6.6	24.85	4.8	24.66	6.5
Foreign exchange loss/(gain)	1.43	0.3	(9.05)	(2.4)	1.44	0.3	(8.99)	(2.4)
Finance costs	3.58	0.7	7.57	2.0	3.70	0.7	7.72	2.0
Depreciation and amortization	52.12	10.2	77.05	20.5	52.12	10.1	77.05	20.3
Impairment of non-current assets	-	-	69.87	18.6	-	-	69.87	18.4
Profit/ (Loss) before tax	22.27	4.3	(137.61)	(36.7)	22.52	4.4	(138.57)	(36.5)
Tax expense:								
Current tax	-	-	-	-	-	-	-	-
Deferred tax (benefit)/expense	(15.02)	(2.9)	98.55	26.25	(15.02)	(2.9)	98.55	25.9
Profit/ (Loss) for the year	37.29	7.3	(236.16)	(62.9)	37.54	7.3	(237.12)	(62.4)
Earnings/ (Loss) per share (Par Value ₹ 10 each)								
(a) Basic	4.03		(25.66)		4.05		(25.76)	
(b) Diluted	3.96		(25.66)		3.99		(25.76)	

Revenue

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Product revenue (net of taxes and component sales)	466.97	329.14	468.34	333.07
Service revenue				
Installation and commissioning revenue	8.32	14.44	8.32	14.44
Annual maintenance revenue	33.63	26.99	34.37	27.40
Other service revenue	3.79	4.88	3.79	4.88
Total services revenue	45.74	46.31	46.48	46.72
Revenue (net of taxes and component sales)	512.71	375.45	514.82	379.79

All the below discussions are based on consolidated financials

Revenue from operations

Our revenue from operations (net of taxes and component sales) increased by 35.6% from ₹ 379.79 crore for FY 2020 to ₹ 514.82 crore for FY 2021.

In FY 2021, our India business grew by 22% YoY overall. Within that, we saw robust growth in the India-Government segment (48% YoY growth), led by business from the critical infrastructure segment. The India-private segment grew 15% YoY, and we secured new application wins in major telecom operators and contributed to 43% of the total revenues on a larger revenue base compared to 52% in the previous year.

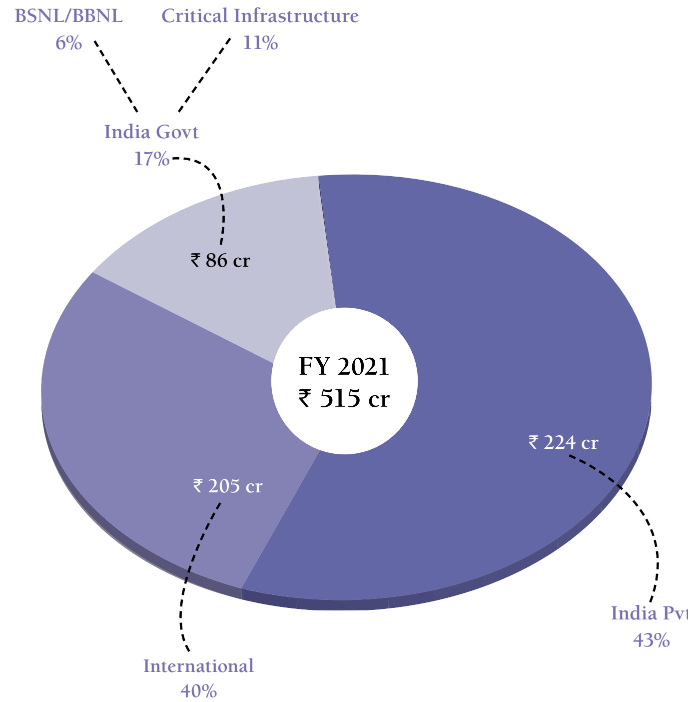
During the year total export revenue share was 40% on a larger revenue base as against 33% during the previous year. On an absolute basis, international revenue grew 62% YoY, since we were able to increase our market share in geographies where we had established local sales teams and had customer incumbency. Our growth in international revenues came from 2 geographies, namely the South and South East Asia which grew by 366%, and Africa and Middle East which grew by 63% on YoY basis. During the year, Americas business underperformed primarily due to impact of COVID, which resulted in delays in field trials and reluctance of customers to change their incumbent suppliers.

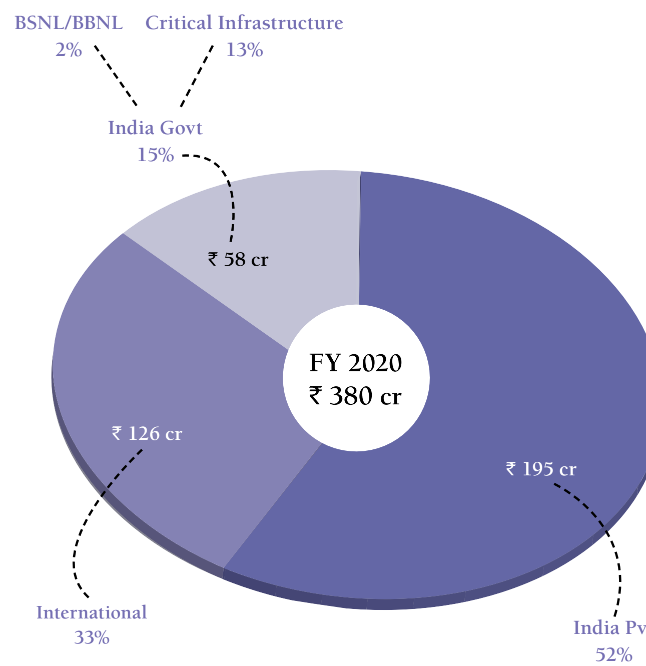
Sale of products

Our revenue from the sale of products grew by 40.6% from ₹ 333.07 crore for FY 2020 to ₹ 468.34 crore for FY 2021. The revenue increase was primarily due to increase in our international, India critical infrastructure revenues, and India private revenue. Product revenues were 91% of net revenues for the year ended March 31, 2021 (previous year 88%).

Sale of services

Our revenue from the sale of services declined by 0.5% from ₹ 46.72 crore for FY 2020 to ₹ 46.48 crore for FY 2021. During the year, due to Covid, our installation and commissioning and other services revenues were lower which was compensated with the higher AMC revenues compared to the previous year. Service revenues declined and were 9% of net revenues for the year ended March 31, 2021 (previous year 12%).





Geographic segment

Out of total revenue, excluding component sales, 60% (previous year 67%) came from India, and 40% (previous year 33%) 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 2021 was 26% as against 38% during the previous year.

We saw strong order inflows during the year and our backlog increased to ₹ 679 crore as of March 31, 2021. Our backlog represents the PO's received from the customers which remain unexecuted as of March 31, 2021 and consists of product as well as service orders. Out of this, the Company expects to recognize revenue of around 50% within the next one year and the remaining thereafter.

Cost of materials consumed

Our cost of materials consumed increased by 32% from ₹ 203.58 crore for FY 2020 to ₹ 268.74 crore for FY 2021, while we had an year on year increase of 40.6% on product sales.

The consumption of material cost as a percentage of revenues was lower in the current year compared to previous year, due to higher contribution of revenues from international locations, which usually gives us higher gross margins.

Function wise expenses

- Our manufacturing expenses declined by 4.5% from ₹ 14.74 crore for FY 2020 to ₹ 14.07 crore for FY 2021 primarily due to efficiencies from reduction in subcontractor charges and lower employee benefit expenses. As a percentage of our net revenues, the manufacturing expenses in FY 2021 decreased to 2.7% from 3.9% in FY 2020, showing improvement in our manufacturing efficiency.
- Our service expenses declined by 16.7% from ₹ 36.70 crore for FY 2020 to ₹ 30.57 crore for FY 2021 primarily due to decrease in travel cost on account of COVID-19 restrictions and efficiencies from reduction in subcontractor charges in FY 2021 compared to the previous year. As a percentage of our net revenues the services expenses in FY 2021 decreased to 5.9% as compared to 9.7% in FY 2020.
- As a result, our gross profit in absolute terms grew by 56.9% from ₹ 135.24 crore for FY 2020 to ₹ 212.13 crore for FY 2021. During the year the gross margin grew by 560 basis points to 41.2% of net revenues due to higher international revenues.
- Our research and development expenses on a gross basis declined by 3.1% from ₹ 109.40 crore (28.8% of net revenues) for FY 2020 to ₹ 106.05 crore (20.6% of net revenues) for FY 2021 primarily attributable to decreased travel cost on account of COVID-19 restrictions and lower employee share based payments. Our research and development expenses, net of capitalisation declined by 4% from ₹ 42.09 crore for FY 2020 to ₹ 40.41 crore for FY 2021. As of March 31, 2021 we have filed for 349 patents of which 127 have been granted.
- Our selling and marketing expenses grew by 7.6% to ₹ 93.96 crore (18.30% of net revenues) during FY 2021 from ₹ 87.32 crore (23% of net revenues) during FY 2020. During FY 2021, while we had higher sales commission expenses and an increase in freight costs, we saw some reduction in the travel cost and allowance for expected credit loss compared to FY 2020.
- Our general and administrative expenses declined by 2.5% to ₹ 22.83 crore (4.4% of net revenues) during FY 2021 from ₹ 23.41 crore (6.2% of net revenues) during FY 2020 primarily on account of reduced travel cost and lower professional charges.

Employee benefits expense

We kept a tight control on our manpower costs and our gross employee benefits expenses grew by 3.1% from ₹176.44 crore for FY 2020 to ₹ 181.97 crore for FY 2021. This was primarily due to 6.7% increase in amount of salaries and wages from ₹ 151.41 crore for FY 2020 to ₹ 161.52 crore for FY 2021, which was due to new international sales personnel who were hired.

The employee benefit expense includes share based compensation expense (for ESOP/RSU granted), recognised in accordance with Ind AS 102 of ₹ 8.00 crore for FY 2021 compared to ₹ 11.20 crore for FY 2020.

Other Expenses

Our other expenses decreased by 6.36% to ₹ 88.04 crore for FY 2021 from ₹ 94.02 crore for FY 2020. These was primarily due to decrease in Allowance for expected credit loss from ₹ 20.03 for FY 2020 to ₹ 14.80 crore for FY 2021 and decrease in travel expenses from ₹ 14.63 crore in FY 2020 to ₹ 2.00 crore in FY 2021 which was offset by increase in installation and commissioning expenses from ₹ 3.70 crore in FY 2020 to ₹ 5.11 crore in FY 2021 and increase in legal and professional expenses from ₹ 8.57 crore in FY 2020 to ₹ 12.05 crore in FY 2021.

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

Our earnings before interest, tax, depreciation and amortization ("EBITDA") as a % of net revenues grew during the year to 10.7% compared to (4.6%) in the previous year. The EBIDTA increase was primarily due to increase in revenue and the higher gross margins from international revenues, as compared to previous year while our operating expenses remained almost same.

Finance Costs

Our finance costs decreased by 52.1%, from ₹ 7.72 crore for FY 2020 to ₹ 3.70 crore for FY 2021.

Depreciation and amortization

Our depreciation and amortization costs declined by 32.4%, from ₹ 77.05 crore for FY 2020 to ₹ 52.12 crore for FY 2021. This was attributable to decrease in amortisation of intangible assets by ₹ 26.05 crore on account of impairment carried out in the previous year, increase in depreciation on property, plant and equipment by ₹ 1.16 crore and decrease in amortization of right-to-use assets by ₹ 0.04 crore.

Other income

Other income decreased from ₹ 33.65 crore for FY 2020 to ₹ 24.85 crore for FY 2021. This was primarily on account of decrease in interest income on deposits kept with banks and financial institutions from ₹ 11.82 crore for FY 2020 to ₹ 10.16 crore for FY 2021. This was primarily on account of decrease in the yield on deposits kept with banks and financial institutions and on the Mutual fund investments. During the year other income includes ₹ 10.04 crore of interest income recognized on the income tax refund on account of the receipt of the order giving effect by us for few assessment years. The decrease was also attributable to net gain on foreign currency transactions and translation of ₹ 8.99 crore in the previous year whereas in the current year there was a net loss of ₹ 1.44 crore.

Profit before tax

As a result of the foregoing, our profit before tax increased by 116.3% from a loss before tax of ₹ 138.57 crore for FY 2020 to a profit before tax of ₹ 22.52 crore for FY 2021. As a % of net revenues, our profit before tax for FY 2021 was 4.4% compared to (36.5%) for FY 2020.

Tax expense

On Standalone basis the Company continues to pay the income tax on MAT basis. During the current year, since the company had brought forward book losses, the company has not accrued and paid any income tax.

However, the company has recognized deferred tax on MAT credit amounting to ₹ 44.14 crore and has charged off deferred tax to the extent of ₹ 29.12 crore on account of timing differences and utilization of carry forward losses towards the projected future profitability. As a result during the year, the Company recognized a net deferred tax credit of ₹ 15.02 crore in the deferred tax.

Profit after tax

As a result of the foregoing, our profit grew by 115.8% from a loss of ₹ 237.12 crore for FY 2020 to a profit of ₹ 37.54 crore for FY 2021. As a % of net revenues, our profit after tax for FY 2021 was 7.3% compared to (62.4%) for FY 2020. Since FY 2020 was an exception, with revenue and profitability being abnormally low, the growth ratios of FY 2021 when compared to FY 2020 may not be very relevant.

Earnings per share (EPS)

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

Particulars	Standalone			Consolidated		
	2021 (₹)	2020 (₹)	% Increase	2021 (₹)	2020 (₹)	% Increase
Basic	4.03	(25.66)	115.7	4.05	(25.76)	115.7
Diluted	3.96	(25.66)	115.4	3.99	(25.76)	115.5

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

in No's

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Basic	9,25,53,796	9,20,38,454	9,25,53,796	9,20,38,454
Diluted	9,41,28,273	9,20,38,454	9,41,28,273	9,20,38,454

On a consolidated basis, our basic and diluted EPS increased by 115.7% and 115.5% respectively on a year on year basis. The increase in weighted average basic share numbers for the year ended March 31, 2021 was on account of the shares issued 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	
	2021	2020	2021	2020
Cash generated from operating activities	80.74	23.74	83.31	25.03
Movement in working capital	81.01	(12.35)	79.11	(13.55)
Less: Taxes paid	4.77	10.87	4.77	10.87
Net cash generated from operating activities	156.98	0.52	157.65	0.61
Cash flows from investing activities				
Capital expenditure	(82.52)	(92.77)	(82.52)	(92.77)
Other investing activities	(84.74)	164.05	(84.74)	164.05
Net cash generated by/ (used in) investing activities	(167.26)	71.28	(167.26)	71.28
Cash flows from financing activities				
Proceeds from ESOP/ RSU	5.70	2.82	5.70	2.82
Repayment of borrowings	-	(1.19)	-	(1.19)
Others	(9.03)	(23.79)	(9.14)	(23.94)
Net cash (used in) financing activities	(3.33)	(22.16)	(3.44)	(22.31)
Net increase/ (decrease) in cash and cash equivalents	(13.61)	49.64	(13.05)	49.58

On a consolidated basis, the net cash generated from operations for FY 2021 was ₹ 157.65 crore, as compared to ₹ 0.61 crore for FY 2020. The increase in operating cash flows is primarily due higher collection and consumption of existing inventories which resulted into decrease in receivables and inventories by ₹ 21.69 crore and ₹ 38.34 crore respectively as compared to the previous year. The free cash flow for FY 2021 was ₹ 75.13 crore as compared to a free cash outflow of ₹ 92.16 crore for FY 2020.

Net cash used in investing activities was ₹ 167.26 crore for FY 2021 as compared to net cash generated of ₹ 71.28 crore for FY 2020, respectively. Investing activity comprises of the investment in Mutual fund and the deposit kept with the financial institutions. The capital expenditure comprises of expenditure on property, plant and equipment and expenditure on intangible assets (including under development).

Net cash used in financing activities was ₹ 3.44 crore for FY 2021, as compared to ₹ 22.31 crore for FY 2020. During FY 2021, the Company received ₹ 5.70 crore towards exercise of ESOP and RSUs by employees. (Previous year the Company received ₹ 2.82 crore).

As a result of the above, the net cash and equivalent decrease for the year was ₹ 13.05 crore compared to increase in the net cash and equivalent of ₹ 49.58 crore for the previous year.

The closing cash and cash equivalents including the investment in liquid mutual funds and deposits with financial institutions stood at ₹ 364.43 crore as at March 31, 2021, as compared to ₹ 280.27 crore as at March 31, 2020.

Key Financial Ratios

The amended SEBI (Listing Obligations and Disclosure Requirements) Amendments Regulations, 2018 requires the disclosure of significant change of 25% or more as compared to the immediately previous financial year in the key sector specific financial ratios.

The Company has identified the below ratios as key financial ratios that have changed more than 25% during the year ending March 31, 2021:

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Net Revenue Growth (%)	36.6	-56.9	35.6	-56.7
Research and development expenses to revenue (on a fully expensed basis) (%)	20.7	29.1	20.6	28.8
Operating Profit Margin (%)	0.5	-25.0	0.6	-24.9
Net Profit Margin (%)	7.3	-62.9	7.3	-62.4
Return on Networth (%)	3.4	-19.7	3.4	-19.8
Working Capital (days)	NA	NA	281	452

Note:

- Net revenue means revenues net of taxes and component sale
- Working Capital days are tracked only at consolidated level

Detailed explanation of ratios

(i) Research and development expenses to revenue (on a fully expensed basis)

The major expense of the Company involves expenditure towards research and development. This ratio is calculated by dividing the gross research and development expenditure as per function wise P&L by net revenue.

(ii) Operating Profit Margin

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the Earnings before interest and tax (EBIT) by net revenue.

(iii) Profit before tax (PBT)

PBT is equal to how much profit before tax is generated as a percentage of revenue. It is calculated by dividing the profit before tax for the year by net revenue.

(iv) Net Profit Margin

The net profit margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing the net profit for the year by net revenue.

(v) Return on Networth

Return on Net Worth states the return that Shareholders could receive on their investment in the Company. It is calculated by net profit for the year by average net worth.

(vi) Working Capital days

Working capital days describes how many days it takes for a company to convert its working capital into cash. It is calculated by dividing working capital (currents assets excluding cash and cash equivalents minus current liabilities) by Gross revenue including GST. Our Gross revenue including GST was ₹ 583.94 crore and ₹ 437.27 crore for FY 2021 and FY 2020 respectively.

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 2021, Government of India has expanded the Production Linked Incentive (PLI) scheme to cover telecom and networking equipment and the company's products are covered under this scheme. 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. The Company is a Government recognised exporter and is eligible for various export incentives under the Merchandise Export Incentive Scheme (MEIS) which has been extended till March 31, 2021. 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, 2021, we have filed 349 Patents and 127 Patents were granted (39 were granted by IPO, 79 by USPTO and 9 by EPO) and 182 patent applications (168 with IPO and 14 with USPTO) were pending for approval with patent authorities and 40 international applications were filed under PCT.

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.

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. During the fiscal year 2021, we have added experienced sales leaders for Western Europe and CIS regions. 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 various technology and industry forums and Tejas management personnel are well respected thought-leaders. Our CEO is the current 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. 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. 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 by 2023. As one of the largest suppliers of GPON-based fiber broadband equipment for the BharatNet project, the company is well positioned to benefit from this initiative. In addition, we stand to benefit from Government policies such as Performance Linked Incentive ("PLI") scheme for telecom equipment and 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.

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)/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, DWDM, OTN and GPON.

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 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 a multiple pan-India telecom operators for their national FTTx rollout. 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. In this regard, 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 leveraging the efforts of India's Telecom Export Promotion Council ("TEPC") and 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. 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.

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. We have built a reputation for technologically-advanced, high-quality products that are supported by our reliable customer service. We are the only India-based optical transport systems company that is TL9000 certified and our products have consistently delivered a field uptime exceeding 99.999% since 2008.

VI. OPPORTUNITIES

The global optical networking market broadly includes five market segments, namely, Broadband Access, Optical Aggregation, Metro WDM, Backbone WDM and Submarine Line Terminal Equipment (SLTE). From a network positioning perspective, an optical network is typically segregated into i) Access network or the outer perimeter of a telecommunications network which connects to the end consumers, ii) Metro network that aggregates and distributes traffic collected from a variety of access networks within a large city or region, iii) Long-haul or Backbone network that interconnects metro networks using high bandwidth transmission networks. With our current portfolio of products, we are able to address a significant portion of this market. The global optical networking market has been on a steady growth path due to rising consumption of data and video on mobile and fixed-line networks. All of the major geographic markets in the world are significant addressable markets for these product segments. In particular, certain optical applications, product types and sub-types are growing significantly faster than the rest of the market. This includes high-capacity 100G and greater-than 100G (200G, 400G, 600G) coherent optics, CPO, OTN, GPON/NG-PON Access, LTE/LTE-A-based Fixed Wireless Access, Carrier Ethernet Switching, and Metro/Long- haul DWDM segments. Products in all of these categories are being designed and manufactured by us today.

Emergence of 5G and High-Speed Broadband Access Networks:

The telecom industry is witnessing an increasing adoption of highspeed mobile and fixed broadband technologies. Mobile networks have evolved from 2G/3G to 4G/5G technologies. 5G will put additional demands on the optical transmission network due to an explosion in the number of network-enabled IoT devices, greater fiberisation and densification of cell sites and a "cloudified" RAN architecture with an optical fronthaul. In wired broadband networks, broadband access speeds are growing with increased use of fiber- based networks. On fiber-based access networks, popularly referred to as Fiber-to-the-Home/Curb/Premises (FTTx), next-generation PON (NG-PON) technologies can deliver up to ten gigabits of access speed to a fixed residence, cell tower or a business location. The growth of the Internet of Things ("IoT") is leading to an increase in the number of networking end points and is expected to have a significant impact on data traffic and optical equipment demand in the coming years. The recent pandemic caused by COVID-19 has 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.

Emergence of High-Bandwidth Applications:

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 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 30% 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 735 million mobile broadband connections, less than 25 million homes have wired broadband connections. Large private operators are therefore planning to roll out pan-India fiber-to-the- home (FTTx) networks based on GPON technology to serve this market and it is projected that over the next few years, 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, 100,000 gram panchayats have been connected and Phase-2, which is being implemented by the center as well as many state governments, will extend this connectivity to another 150,000 villages. In FY 2021, Government of India has announced plans to extend BharatNet to every one of the 650,000 villages in the country by 2023. 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 in the next 3-5 years. 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, 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 lelevel 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:

We are exposed to the business risk due to the global outbreak of COVID-19 pandemic. This has resulted in an unprecedented global health crisis, economic crisis, logistics and supply chain disruptions, governmental restrictions, lock-downs and new compliance requirements and international geo-political and trade tensions. With no specific clarity on the extent of impact and the timelines of making the vaccines available to all, there is a significant amount of uncertainty on the extent of economic slowdown, the time for economic recovery and businesses, including ours, will be exposed to such uncertainties. We have seen delays in customer orders, delays in execution of ongoing projects and orders, delays in payments by customers and logistics and supply chain challenges to keep our operations running smoothly. While we have made all efforts and resumed our operations as well as customer support to as normal as possible in the current situation, we will be exposed to the overarching impact of this pandemic. We will continue to monitor the situation and business outlook, while closely watching our cash position and expenses and respond appropriately with corrective actions.

Corporate Governance Report

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, 2021.

The confirmation/ disclosures made by the Board of Directors for the year ended March 31, 2021, are based on the records and information as available with them, to the best of their knowledge and belief, according to information 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 Corporate Governance provides the structure for defining, implementing, monitoring a Company's goals and objectives and ensuring accountability to appropriate stakeholders. It also means that people outside looking into the company will see that the people inside who are practicing qualitative governance are making decisions on an intellectually honest basis and are applying care and skill in making business judgments.

The Organisation for Economic Co-operation and Development (OECD) defines Corporate Governance as a system by which Business Corporations are directed and controlled. The OECD principles of Corporate Governance or OECD code states that five pillars of Corporate Governance which are:

- Protecting the rights of shareholders;
- Ensuring equitable treatment of all shareholders including having an effective grievance redressal system;
- Recognizing the rights of stakeholders as established by law;
- Ensuring the timely and accurate disclosure regarding the corporation including the financial situation, performance, ownership and governance of the company;
- Ensuring the strategic guidance of the company, effective monitoring arrangement by the Board and the Board's responsibility to the company and the shareholder.

The principles of Corporate Governance revolve around three basic interrelated segments which are:

- Integrity and Fairness.
- Transparency and Disclosures.
- Accountability and Responsibility.

According to the Confederation of Indian Industry (CII), Corporate Governance deals with laws, procedures, practices and implicit rules that determine the ability of the company to make managerial decisions vis-vis its claimants – in particular, its shareholders, creditors, customers, the State and employees. The aim of "Good Corporate Governance" is to ensure commitment of the Board of Directors (the "Board") in managing the company in a transparent manner for maximizing long term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic and at the same time social.

Investors primarily consider two variables before making investment decisions in the companies – the rate of return on invested capital and the risk associated with the investment. Good Corporate Governance practices reduce this risk by ensuring transparency, accountability and enforceability in the capital marketplace. As a result, the investors expect the Board and the Management in the companies to act in their best interests at all times so as to earn a risk-adjusted rate of return that is higher than the cost of capital. While sound Corporate Governance practices ensure a company's long-term success, weak practices often lead to serious problems.

Corporate Governance Framework at Tejas

Tejas ("Company") Corporate Governance focuses on creating and sustaining a deep relationship of trust, ethics and transparency with all stakeholders. The Company follows ethical business standards in all its operations globally and considers stakeholders as partners in its journey forward despite business challenges and economic volatilities. The norms and processes of Corporate Governance reflect the commitment towards integrity and ethics and disclose timely and accurate information regarding the financial and operational performance, as well as the leadership and governance structure. Over the years, the stakeholder commitment has enhanced the respect and recall of the Company brand nationally and internationally

The Company, to succeed requires highest standards of corporate behavior towards everyone it works with, the communities it touches and the environment on which it will have an impact. This is the Company's road to consistent, competitive, profitable and responsible growth and creating long-term value for its shareholders, its people and its business partners. The said principles have been the guiding force for whatever the Company does and shall continue to be so in the years to come. The Company constantly strives to adopt emerging best practices being followed worldwide. The Company's Corporate Governance framework ensures that it makes timely disclosures and share accurate information regarding the financials and performance, as well as the leadership and governance of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in the governance practices, under which its strives to maintain an effective, informed and independent Board. The Company Governance practices are constantly and continuously reviewed and benchmarks itself to best practices across the globe.

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

- Comply and act in the spirit of law and with integrity and not just the letter of law.
- Transparent procedures and practices and decisions based on adequate information and provide complete transparency in the operations – when in doubt disclose.
- Do what is ethically, legally and statutorily right and not what is convenient and comfortable.
- 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.

- Well-defined policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- 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 Tejas constituents in the Corporate Governance of the Company

a. The Board

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

b. The Independent Chairman

The Independent Chairman of the Board is to provide leadership to the Board and guidance and mentorship to the Managing Director and Chief Executive Officer (MD and CEO) 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 MD and CEO

The MD and CEO 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 Company commitment to good Corporate Governance practices and compliance with the provisions of 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. The Company has complied with all applicable norms of Corporate Governance as applicable to Listed Public Company as envisaged under the Act, the Listing Regulations and applicable Secretarial Standards on Board and General Meetings issued by the Institute of Company Secretaries of India.

The Board hereby confirms that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2021.

1. The Board of Directors

The Board is at the helm of our 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 operations of the Company are conducted under the supervision and directions of the Board 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 MD and CEO of the Company.

a. Composition of the Board

The Company has an optimal combination of Executive and Non-Executive Directors. As on March 31, 2021, the Company has 6 Directors and the composition of the Board is as provided herein below. The Chairman of the Board is a Non-executive and Independent Director and 67% of the Board members are Non-executive Directors. The Non-executive and Independent Directors constitute 50% of the Board with one woman member who is an Independent Director.

The composition of the Board and the Directorships held by them as on March 31, 2021 are as follows:

Name of the Director	Age	Executive / Non-executive	Position	Name of Indian listed companies	All Companies around the world[1]	Committee memberships[2]	Chairperson of Committee[2]
Balakrishnan V	57	Non-Executive / Independent	Chairman	Tejas Networks Ltd.	10	3	-
Sanjay Nayak	57	Executive	MD/ CEO	Tejas Networks Ltd.	3	1	-
Dr. Gururaj Deshpande	71	Non-Executive/ Non- Independent	Director	Tejas Networks Ltd.	3	-	1
Amb. Leela K Ponappa	75	Non-Executive / Independent	Director	Tejas Networks Ltd.	1	1	-

Chandrashekhar Bhaskar Bhave	70	Non-Executive/ Independent	Director	Tejas Networks Ltd. Avenue Supermarkets Limited Mahindra and Mahindra Financial Services Limited Max Bupa Health Insurance Company Limited	6	-	3
Arnob Roy	57	Executive	WTD/ COO	Tejas Networks Ltd.	1	1	-

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

[2]As required by Regulation 26 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requires membership/chairperson of the Audit Committee and Stakeholders Relationship Committee in Indian public companies (listed and unlisted).

Notes:

- There are no inter-se relationships between the Board members.
- None of the Directors on the Board are member 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.
- The profile of directors can be found on www.tejasnetworks.com/board-of-directors.php.
- All the Directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them.
- The offices held by the Directors are in compliance with the Act and the Listing Regulations.

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 reappointment of Directors. The Nomination and Remuneration Committee of the Board is responsible for recommending any new member on the Board based on the 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 on the Board. If the Board approves, the person is appointed as an Additional Director of the Company and subject to the approval of Shareholders in the Company's next general meeting they are appointed as Director of the Company either as Independent Director / Non-Executive and Non-Independent Director / Executive Director as the case may be.

The main criteria followed by the Board for appointment includes:

- 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;
- 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;
- The avoidance of any present or potential conflict of interest;
- 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:

- **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 / contract of service with the Company and are liable to retire by rotation.
- **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.
- **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 members by way of special resolution for the second term and are not liable to retire by rotation.

The Board hereby confirms that as on April 1, 2021, 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 or by the Ministry of Corporate Affairs or any such statutory authority as required under the Listing Regulations.

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 Board business generally includes consideration of important corporate actions and events including:-

- Quarterly and annual result announcements and its operating divisions or business segments;

- Oversight of the performance of the business and key business risks faced by the Company;
- Declaration of dividends;
- Development and approval of overall business strategy;
- Board succession planning;
- Review of the functioning of the Committees;
- Strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations;
- Annual operating plans, capital budgets and any updates.

The notice of Board / Committee Meetings is given in advance to the Board. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company. The Agenda is circulated a week prior to the date of the Meeting. The Board / Committee 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. The Video / tele-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees. The Company Secretary confirms to the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the Meetings. With a view to leverage technology and reducing paper consumption, the Company sends the Board / Committee Agenda in electronic form which can be accessed through Browsers or iPads. The application meets high standards of security and integrity that are required for storage and transmission of Board / Committee Agenda and pre-reads in electronic form.

In accordance with the Notification issued by the Ministry of Corporate Affairs, all the meetings of the Board for FY 2021 were held through Video-Conference.

During FY 2021, four meetings of the Board were held on April 21, 2020, July 27, 2020, October 21, 2020, and January 20, 2021 and the maximum gap between any two Board meetings did not exceed 120 days during the year. The attendance of Directors at Board Meeting for the year ended March 31, 2021 and at the 20th Annual General Meetings held on July 28, 2020 are as under:

Name of the Director	Whether attended last AGM	Board Meeting Number				Held during tenure (A)	Attended (B)	% of attendance (B/A)
		1	2	3	4			
Balakrishnan V	Yes					4	4	100
Sanjay Nayak	Yes					4	4	100
Dr. Gururaj Deshpande	Yes			LOA		4	3	75
Amb. Leela K Ponappa	Yes					4	4	100
Chandrashekhar Bhaskar Bhave	Yes					4	4	100
Arnob Roy	Yes					4	4	100

Attended through video conference LOA: leave of absence

d. Board Evaluation

The Board of Directors carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

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 the Directors. The performance of the Directors was evaluated after seeking inputs from all the Directors other than the one who was being evaluated. The performance of the Committees was evaluated after seeking the inputs of committee members on criteria such as understanding the terms of reference, committee composition, independence, contributions to Board decisions, etc. The evaluation was also based on criteria such as a Director's knowledge, understanding of and commitment to their role, the 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.

The Chairman of the Board was evaluated on key aspects of his role, after seeking the inputs from all the other Directors on the basis of criteria such as leadership, accountability and responsibilities, promotion of effective relationship and open communication, positive and appropriate working relationship with CEO, commitment, etc. Independent Directors held discussions separately in this regard, and 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 its duties. The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The Board evaluation report was submitted to the Board Chairperson and the Chairperson of Nomination and Remuneration Committee, discussed in the meetings of the Nomination and Remuneration Committee and the Board, and were adopted. The Board Chairperson discussed the outcome of evaluation of the individual Directors separately with them. The evaluation report contains an executive summary of findings and several key recommendations from the evaluation process.

The following major observations/suggestions emerged.

- The Board and its Committees had been functioning in a professional manner, under the effective guidance of the respective Chairpersons.
- Deliberations at these meetings have been constructive with active participation by Board/ Committee members. Board meetings were crisp and focused, and were well conducted by the Chairman.
- The Board needs to consider talent across various functions including management, technical and operational for strategizing the company to the next level.
- There should continue to be a strong focus on compliance and governance, good engagement on key business issues, and increasing focus on the core business.
- The Board ensures that the Company follows a policy of zero tolerance for ethical violations or misconduct.
- An increased focus on safety and health is essential and should be emphasized across the Company;
- The Board noted that given the changing external environment the Company should be prepared for any likely disruption.
- The need for having better understanding of the competitive landscape in a dynamic business environment and importance of being updated in the emerging technology areas relevant for the Company.

e. 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 Board is the set of leaders who provide comprehensive guidance, support and direction to the Company towards its success. The objective of having skilled Board is manifold considering the involvement of public money, be it of the public shareholders, lenders or other creditors. Stakeholders are concerned about the attitude of the firm towards Corporate Governance as a diverse set of individuals collectively known as Board cannot take a casual approach on the management of the firm sitting on the pile of public money.

The Board has identified the following skills / expertise / competencies fundamental for effective functioning of the Company which are currently available with the Board:

- **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.
- **Technological expertise:** Background in technology, anticipation of technological trends, suggestions and creation of emerging business ideas.
- **Industry experience or knowledge:** Knowledge and experience in telecom sector to provide strategic guidance to the management.
- **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.
- **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.

f. Remuneration of the Directors

The Company has a policy for the remuneration of Directors including that of Independent Directors. The remuneration policy lays down principles and parameters to ensure that remunerations are competitive, reasonable and in line with corporate and individual performance. The remuneration is aligned to the requirements of the Company including the challenges faced by the Company and its future growth imperatives.

The Directors, in accordance with the remuneration policy, are paid remuneration as follows:

- **Independent Directors –** 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, remuneration in case of no profits or inadequate profits and reimbursement of the expenses for attending meetings of the Board and its Committees. The basis of determining the amount of commission or remuneration payable to the Independent Directors is related to their attendance at meetings, role and responsibility as Chairman or Member of the Board or Committees and overall contribution as well as time spent on operational matters other than at the meetings. The Members of the Company have approved payment of commission to the Independent Directors within the overall maximum limit of 1% of net profits of the Company as computed in accordance with Section 198 of the Act or such other percentage as may be specified by the Act, from time to time. In case of no profits or inadequate profits, the Independent Directors will be paid remuneration in accordance with Part II of Section II of Schedule V to the Companies Act, 2013. Further, the Independent Directors may in addition to Sitting fees be paid given additional commissions (as % of net profits), based on Company's performance, subject to the overall 1% limit. The Company has not been granted any stock options / RSU to the Independent Directors.
- **Executive Directors** - The Executive Directors (Managing Director and CEO, Whole time Director and Chief Operating Officer) are appointed by a Shareholders' Resolution which includes the remuneration to be paid to them which is based on the statutory requirements and Company's policies and competitive market data. The annual remuneration is recommended by the Nomination and Remuneration Committee to the Board for its consideration. While recommending the remuneration, the committee also takes into account corporate performance in a given year and the Key Performance Indicators (KPIs). The remuneration paid is within the limits approved by Shareholders. Perquisites and retirement benefits are paid in accordance with the Company's compensation policies, as applicable to all employees.
- **Non-Executive Director –** In line with the internal guidelines of the Company, no remuneration including payment of commission were made to the Non-Executive Director of the Company. Further, no stock options were granted to Non-Executive Director.

2. Independent Directors

The Company has three (3) Independent Directors including one Woman Independent Director on the Board. The Chairman of the Board is Non-Executive and Independent 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. Appointment

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

- The appointment and tenure of Independent Directors 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.
- The Independent Director must meet the baseline definition and criteria on independence' as set out in the Listing Regulations and the Act and other applicable regulations.
- 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.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Act and the Listing Regulations.
- 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.

b. Meeting of Independent Directors

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. In the said Meetings, the Independent Directors reviewed the matters as required under the Listing Regulations and that of Companies Act, 2013. During the FY 2021 one meeting of the Independent Directors was held on January 20, 2021.The action items, if any, were communicated to the Executive management and tracked to closure to the satisfaction of Independent Directors.

In the meeting of the Independent Directors the following items are generally considered

- Review of performance of Executive Director and Non- Executive / Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- The performance of the Company, Corporate Strategy, risks, competition, succession planning of the Board and the management;
- 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.

c. Familiarization programmes for 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 Non-Executive and Independent Directors as part of familiarization exercise are introduced to the Company culture through orientation sessions wherein an overview of Company operations, matters relating to Company values and commitments are provided along with an information kit containing documents about the Company such as its 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 the Company objectives. The details of the familiarization programs for Directors is available on the Company's website www.tejasnetworks.com/policies-codes.php.

d. 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.

e. Continuance of Independent Directorship

Amb. Leela K Ponappa (DIN: 07433990) Independent Director was re-appointed on February 16, 2018 for a period of 5 years and second her second term as Independent Director ends on February 16, 2023. Since she will attain the age of 75 years on June 26, 2021 during the term of her current appointment, the shareholders in their 20th Annual General Meeting and in terms of the Act and SEBI (LODR) Regulations, 2015 approved her continuance of the Independent Directorship till her determination of her term of office.

f. Confirmation by Independent Directors

Each Independent Directors have confirmed to the Board that as on April 1, 2021, they 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 that they meet the criteria of Independence as laid down in Act and in the Listing Regulations.

g. Remuneration

The remuneration structure for the Independent Directors are as below:

in ₹ crore

a) Sitting Fee	
Board Meeting Attendance Fees (per meeting)	0.01
b) Directors Commission	
Fixed Fees for each Independent Director (per annum)	0.05
Non-Executive Chairman Fees (per annum)	0.10
Chairperson -Audit Committee (per annum)	0.03
Member – Audit Committee (per annum)	0.01
Chairperson – Other Committees (NRC, CSR, SRC) – (per annum)	0.01
Member- Other Board Committees (per annum)	0.005

3. The Committees of the Board

The Board is responsible for constituting, assigning and co-opting the members of the Committees and is set up in consultation with the Nomination and Remuneration Committee of the Board. The Board Committees play a crucial role in the governance structure of the Company. 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 of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairperson. 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 with the Audit Committee consisting entirely of the Independent Directors to deal with specific areas / activities as mandated by applicable regulations and by the Charter.

Name of the Director	Category	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholders relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Balakrishnan V	Independent	Chairman/Chairperson	Member	Member	Member	Member	Chairman/Chairperson
Sanjay Nayak	Executive	Member	-	-	Member	Member	-
Dr. Gururaj Deshpande	Non-Executive	Member	-	Member	Chairman/Chairperson	-	Member
Amb. Leela K Ponappa	Independent	Member	Member	Chairman/Chairperson	-	Chairman/Chairperson	Member
Chandrashekhar Bhaskar Bhave	Independent	Member	Chairman/Chairperson	Member	-	-	Member
Arnob Roy	Executive	Member	-	-	Member	Member	-
Total		6	3	4	4	4	4

Chairman/Chairperson Member

I. Audit Committee

The Audit Committee is constituted in accordance with the requirement of Act and Listing Regulations and the Committee reports to the Board. The Chairperson and the Members of Audit Committee are financially literate and have the required accounting and financial management expertise.

a. Composition of the Committee

The Audit Committee comprises entirely of Independent Directors. The Audit Committee met four times i.e. April 21, 2020, July 27, 2020, October 21, 2020, and January 20, 2021 during FY 2021. All the meetings of the Audit Committee for FY 2021 were held through Video-conference in accordance with the Notification issued by the Ministry of Corporate Affairs.

The meetings of Audit Committee is attended by the Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee in addition to being the Compliance Officer of the Committee. The Audit Committee meets with the Internal, Statutory and Secretarial Auditor separately, without the presence of the Management representatives.

The Composition and the attendance of the members of Audit Committee for the year ended March 31, 2021 are as follows:

S.No	Name of the Director	Category	Chairperson/ Member	Attendance
1	Chandrashekhar Bhaskar Bhave	Independent	Chairperson	100%
2	Balakrishnan V	Independent	Member	100%
3	Amb. Leela K Ponappa	Independent	Member	100%

b. 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.

The Audit Committee of the Company is also entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with the management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval.
- Reviewing management discussion and analysis of financial condition and results of operations.
- Reviewing and approving the Related Party Transactions in accordance with the Related Party Transaction Policy of the Company.
- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors, Internal Auditors, Secretarial Auditors and Cost Auditors of the Company and approval for payment of any other services.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors and also discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues.
- Reviewing with Management, Statutory Auditor and Internal Auditor, the adequacy of internal control systems and risk management systems.
- Reviewing the functioning of the Company's code of conduct, Code of Conduct for Prevention of Insider Trading, Whistle Blowing / Vigil mechanism and Compliance system.
- Review with the management team, legal compliance and legal matters that could have a significant impact on the Company's financial statements.
- Reviewing the adequacy of Internal Audit function and discussing with Internal Auditors of any significant findings and follow up thereon.
- Any other matter referred to the Audit Committee.

The detailed terms of reference of the Audit Committee is available on the Company's webiste at www.tejasnetworks.com/policies-codes.php.

c. Audit Committee Report to the Shareholders for the year ended March 31, 2021

The Audit Committee helps the Board to monitor the Management's financial reporting process, and ensures that the disclosures are accurate and qualitative, timely, with highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work of the internal and the independent auditors and reviews the processes and safeguards employed by them. The audit committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law. It recommends to the Board the remuneration and terms of appointment of the statutory, internal and secretarial auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors. In addition, the committee reviews the policies, processes and controls relating to the valuation of undertakings or assets of the Company that are carried out as and when required.

The committee comprises Independent Directors and fulfills the requirements of audit committee charter, as well as Section 149 of the Act. The committee complies with the Listing Regulations relating to its composition, independence of its members, financial expertise of members and the audit committee charter.

To carry out its responsibilities efficiently and transparently, the committee relies on the Management's financial expertise, and that of the Internal and the Statutory Auditors. The Management is responsible for the Company's internal control over financial reporting and the financial reporting process. The statutory auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the Generally Accepted Auditing Principles, and for issuing a report based on the audit.

The Audit Committee met four times during FY 2021. The Management shared the Company's financial statements, prepared in accordance with the Indian Accounting Standards (IND-AS) as specified under the Act, read with the relevant rules thereunder with the committee. The committee held discussions with the Statutory Auditors (whenever necessary, without any member of the Management being present) regarding the Company's audited financial statements, including the auditors' judgment about the quality and applicability of the accounting principles, the reasonableness of significant judgment and the adequacy of disclosures in the financial statements.

Besides discussing the overall scope and plan for the Internal audit, requirements of SEBI and other regulatory bodies, the committee also reviewed with the Statutory auditors the adequacy and effectiveness of the Company's legal, regulatory and compliance programs. As part of continuous improvements, revisions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to the Insider Trading Policy, Code of Conduct and Ethics, Code of practices and procedures for fair disclosures of unpublished price sensitive information were duly approved. The committee also reviewed the other financial policies of the Company with the auditors. The committee, on a periodic basis, reviewed the process adopted by the Management on impairment of assets including financial assets, goodwill and intangibles. The committee granted omnibus approval for the related party transactions proposed to be entered into by the Company during fiscal 2022.

Based on its discussion with the Management and the auditors, and a review of the representations of the Management and the report of the auditors, the committee has recommended the following to the Board:

- To approve and adopt the audited Standalone financial statements (including Consolidated financial statements) of the Company under IND-AS for all the quarter(s) and year ended March 31, 2021 as a true and fair statement of the financial status of the Company.

- The payment of Statutory Auditor fees to M/s Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N5000016) for FY 2021.
- The appointment of M/s. Singhvi, Dev & Unni LLP Chartered Accountants, as the Internal Auditors of the Company for conduct internal audit of the Company and to review various operations of the Company and payment of fees for FY 2022.
- The appointment of Dwarakanath C, Company Secretary in Practice, as Secretarial Auditor of the Company to conduct the secretarial audit of the Company and payment of fees for FY 2022.
- The appointment of M.R. Krishna Murthy, Partner- GNV & Associates, Cost & Management Accountant as Cost Auditor to conduct the cost audit of the Company and payment of fees for FY 2022.

Relying on its review and the discussions with the Management and the independent auditors, the committee believes that the Company's financial statements are fairly presented in conformity with IND AS and that there is no material discrepancy or weakness in the Company's internal control over financial reporting.

Bengaluru	Sd/-
April 21, 2021	Chandrashekhar Bhaskar Bhave
	Chairperson

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with the requirements of Act and Listing Regulations and the Committee reports to the Board.

a. Composition of the Committee

The Nomination and Remuneration Committee comprises majority of the Independent Directors. The Nomination and Remuneration Committee met four times i.e. April 21, 2020, July 27, 2020, October 21, 2020, and January 20, 2021 during FY 2021. All the meetings of the Nomination and Remuneration Committee for FY 2021 were held through Video-conference in accordance with the Notification issued by the Ministry of Corporate Affairs.

The meetings of Nomination and Remuneration Committee are attended by the Chief Executive Officer and Chief Operating Officer. The Chief Financial Officer and the Chief Human Resource Officer are invited as special invitees. The Company Secretary acts as Secretary to the Committee.

The Composition and the attendance of the members of Nomination and Remuneration Committee for the year ended March 31, 2021 are as follows:

S.No	Name of the Director	Category	Chairperson/ Member	Attendance
1	Amb. Leela K Ponappa	Independent	Chairperson	100%
2	Balakrishnan V	Independent	Member	100%
3	Chandrashekhar Bhaskar Bhave	Independent	Member	100%
4	Dr. Gururaj Deshpande	Non-Independent	Member	75%

b. Roles, responsibilities and the terms of reference of the Committee

The Nomination and Remuneration Committee and the Board coordinate to come out with a leadership succession plan to ensure orderly succession in the appointments to the Board and in the Senior Management and is responsible for maintaining appropriate balance of skills and experience within the organisation and the Board while maintaining experience and continuity 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 role of Nomination and Remuneration Committee, inter alia includes:

- Assisting the Board in discharging its responsibilities relating to compensation of the Company's Directors and Key Managerial Personnel.
- Evaluating and approving the adequacy of the compensation plans, policies, programs and succession plans for Company's Executive Directors and Senior Management (including recommending to the Board the appointment and removal of senior management).
- Formulating the criteria for determining qualifications, attributes and independence of a Director and for performance evaluation of Independent Directors on the Board.
- 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 to the Board, for approval at the annual meeting of Shareholders.
- Carrying out evaluation of the performance of the Board and developing leadership.
- Developing and maintaining Corporate Governance policies applicable to the Company.
- Recommending to the Board a policy, relating to the remuneration of the Company's Directors, Key Managerial Personnel and other employees.
- Devising a policy on Board diversity.

The Committee's charter and policy are available on Company's webiste at www.tejasnetworks.com/policies-codes.php

c. Nomination and Remuneration Report to the Shareholders for the year ended March 31, 2021

The Nomination and Remuneration Committee helps the Board to monitor the Company's key processes in recruiting new members to the Board and also the processes by which the Company recruits, motivates and retains outstanding senior management. It oversees the Company's overall approach to human resources management. The Committee also carries out the evaluation of the Board's performance, develops leadership and maintains corporate governance policies applicable to the Company.

The Committee has a majority of the Independent Directors and fulfills the requirements of the Nomination and Remuneration Committee Charter, as well as the requirements of the Act and the Listing Regulations relating to its composition, the independence and the expertise of its members.

During the year, the Committee recommended the following to the Board:

- Review of the performance of the Executive Directors, the Key Managerial Personnel and the Senior Management of the Company and their compensation and the variable payout for the year ended March 31, 2021.

- Approval of the cash compensation (including variable payout) as well as vesting of performance-linked portion of Restricted Stock Units for Key Managerial Personnel, Senior Management and other employees of the Company for the year ended March 31, 2021.
- Grant of 20,500 Restricted Stock Units to the employees under the Company's Restricted Stock Unit plan 2017.
- Subject to the approval of Shareholders, the re-appointment of Sanjay Nayak, Director of the Company, liable to retire by rotation.
- The formal evaluation of the performance of the Board, its Committees and individual Directors.

Bengaluru
April 21, 2021

Sd/-
Amb. Leela K Ponappa
Chairperson

III. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in accordance with the requirements of Act and Listing Regulations and the Committee reports to the Board.

a. Composition of the Committee

The Stakeholders Relationship Committee comprises 50% of the Non-Executive Directors. The Committee met four times i.e. April 21, 2020, July 27, 2020, October 21, 2020, and January 20, 2021 during FY 2021. All the meetings of the Stakeholders Relationship Committee for FY 2021 were held through Video-conference in accordance with the Notification issued by the Ministry of Corporate Affairs. The Chief Financial Officer is invited as special invitee. The Company Secretary acts as the Secretary to the Committee.

The Composition and the attendance of the members of Stakeholders Relationship Committee for the year ended March 31, 2021 are as follows:

S. N	Name of the Director	Category	Chairperson/ Member	Attendance
1	Dr. Gururaj Deshpande	Non-Independent	Chairperson	75%
2	Balakrishnan V	Independent	Member	100%
3	Sanjay Nayak	Non-Independent	Member	100%
4	Arnob Roy	Non-Independent	Member	100%

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:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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.
- 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.
- Shareholders Engagement initiatives.
- 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 and policy are available on our website www.tejasnetworks.com/policies-codes.php.

c. Details of Shareholders/ Investors Complaints

During the year ended March 31, 2021, there were no complaint received by Company from Shareholders / Investors.

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 LinkIntime India Private Limited, Registrar and Share Transfer Agents.

d. Stakeholders Relationship Committee Report to the Shareholders for the year ended March 31, 2021

The Stakeholder Relationship Committee assists the Board and oversees the mechanisms for redressing grievances and complaints from stakeholders including shareholders, other security holders, vendors, customers, employees and others. The mechanisms include the whistleblower mechanism and the internal committee.

During the year, the Committee inter-alia:

- Reviewed complaints related to transfer of shares, no receipt of annual report, statutory notices, if any.
- Approved the transfer / transmission, dematerialization and rematerialization of equity shares in a timely manner.
- Reviewed the performance of the Registrar and Share Transfer Agents, and recommended measures for overall improvement in the quality of investor services and also the Company's attention to the environmental, health and safety interests of stakeholders.
- Noted that during the year the Company has paid the listing fees for FY 2022 to the National Stock Exchange Limited and BSE Limited and also custodial fees to National Securities Depository Limited and Central Depository and Securities Limited.
- Noted that an amount of ₹ 311,218/- was unclaimed dividend as on March 31, 2021 and steps taken by the Company in this regard.
- Noted that there were no legal cases filed against the Company or the Company was made as a party to the same in respect of securities of the Company.
- Noted that the shareholding in dematerialized mode as on March 31, 2021 was 99.69% (99.60% as of March 31, 2020).

The Committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system.

Bengaluru
April 21, 2021

Sd/-
Dr. Gururaj Deshpande
Chairperson

IV. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is constituted in accordance with the requirements of Act and Listing Regulations and the Committee reports to the Board.

a. Composition of the Committee

The Corporate Social Responsibility Committee comprises of the Non-Executive / Independent Directors. The Corporate Social Responsibility Committee met four times i.e. April 21, 2020, July 27, 2020, October 21, 2020, and January 20, 2021 during FY 2021. All the meetings of the Corporate Social Responsibility Committee for FY 2021 were held through Video-conference in accordance with the Notification issued by the Ministry of Corporate Affairs. The Chief Financial Officer and the Chief Human Resource Officer are invited as special invitees. The Company Secretary acts as Secretary to the Committee.

The Composition of Corporate Social Responsibility Committee and the attendance of the Members for the year ended March 31, 2021 are as follows:

S.No	Name of the Director	Category	Chairperson/ Member	Attendance
1	Amb. Leela K Ponappa	Independent	Chairperson	100%
2	Balakrishnan V	Independent	Member	100%
3	Sanjay Nayak	Non-Independent	Member	100%
4	Arnob Roy	Non-Independent	Member	100%

b. Roles, responsibilities and the terms of reference of the Committee

The Corporate Social Responsibility Committee is empowered to perform the functions of the Board relating to:

- Formulate and recommend to our Board a CSR Policy that shall indicate the activities to be undertaken by the Company towards the CSR initiatives and recommend the amount of expenditure to be incurred on the CSR activities referred hereinabove.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects.
- Monitor and provide guidance on the Company's policies on environment management, social responsibilities, health and safety, product stewardship, community development, principles of managing branded operations, etc.
- Provide guidance on welfare activities including eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

The Committee's charter and policy are available on Company's website at www.tejasnetworks.com/policies-codes.php.

c. CSR Activities and Impact Assessment

The Company, through its CSR Committee, is committed to improve the social infrastructure of the country and to reduce disparities through interventions in reducing hunger and poverty, education, skill building and also in pandemic relief efforts. The Company has contributed to the following areas based on need assessment:

- Hunger and Poverty: Eradicating extreme hunger, poverty and malnutrition through a mid-day meals program with an NGO as an attempt to feed the millions of children in India and give them the motivation and nourishment they need to pursue an education and a better future and also COVID-19 relief effort.
- Education: To improve access to education through improving quality of learning by providing a better school infrastructure, better teaching learning process etc.
- Skill development: Enhancing employability of youth by enhancing training capacity, improved infrastructure of skill development centers.

All CSR projects have defined goals and milestones which are tracked as per the periodicity defined for the project. The progress is compared with the baseline data that is gathered before the commencement of the project through an onsite evaluation as well as the reports generated from the project. The indirect impacts that accrue are also factored and documented in the reporting process which were subsequently vetted for Impact Assessment and discussed during the Committee meetings.

d. Corporate Social Responsibility report for the year ended March 31, 2021

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 Act and Listing Regulations and the Committee reports to the Board.

a. Composition of the Committee

The Risk Management Committee comprises majority of the Independent Directors. The Risk Management Committee met on January 20, 2021 during FY 2021. The meetings of the Risk Management Committee for FY 2021 were held through Video-conference in accordance with the Notification issued by the Ministry of Corporate Affairs.

The meetings of Risk Management Committee are attended by the Chief Executive Officer, Chief Operating Officer. The Chief Financial Officer and the Chief Human Resource Officer are invited as special invitees, if required. The Company Secretary acts as Secretary to the Committee.

The Composition of Risk Management Committee and the attendance of the Members for the year ended March 31, 2021 are as follows:

S.No	Name of the Director	Category	Chairperson/ Member	Attendance
1	Balakrishnan V	Independent	Chairperson	100%
2	Amb. Leela K Ponappa	Independent	Member	100%
3	Chandrashekhar Bhaskar Bhave	Independent	Member	100%
4	Dr. Gururaj Deshpande	Non-Independent	Member	75%

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. The Risk Management Committee reviews the key risks and the risk register and the mitigation measures periodically. The roles of Risk Management Committee inter-alia includes:

- Assessing the risk management procedures relating to identification and evaluation of all types of risks as needed so as to ensure that the Company has in place at all times a Risk Management Policy which addresses the strategic, operational, financial and compliance risks and also the mitigation procedures.
- Review and oversee the risk management policy, legal and statutory compliance system and control procedures.
- Set 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.
- Review the Company and its subsidiaries' risk profiles and evaluate the measures taken to mitigate the business risks.
- Such other terms as the Board may indicate from time to time.

The Committee's charter is available on Company's website at www.tejasnetworks.com/policies-codes.php.

c. Risk Management Committee Report to the Shareholders as on March 31, 2021

The Risk Management Committee assists the Board:

- In periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.
- In 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.
- In coordinating its activities with the Audit Committee in instances where there is any overlap with audit activities.

Towards the above, the committee reviewed the following:

- The Company's progress on strategy execution, risk management practices and activities. This included 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 potential impact of the COVID-19 on Company's business and the Company's strategy in mitigating the risks.
- 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.
- 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.

Taking into account the information made available to them by the Management, the Committee believes that the Company Risk Framework and the risk assessment, monitoring and mitigation and reporting practices is adequate to effectively manage the foreseeable material risk.

Bengaluru	Sd/-
April 21, 2021	Balakrishnan V
	Chairperson

4. Remuneration Policy

In order to adapt to the changing business context and the highly competitive environment that the Company operates and in pursuance to the provisions of Section 178(3) of the Act, and Listing Regulations, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees. The Executive Compensation policy moves away from a predominantly cash based compensation to a total reward structure whereby a significant portion of the compensation is in the form of stock incentives to reward sustained long-term performance. 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 is in line with the corporate and individual performance and is market-driven and aims at attracting and retaining the high performance talent and fosters fostering a culture of leadership with trust.
- That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- That the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- That 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 key principles governing the Remuneration Policy are as follows:

- Market competitiveness.
- Role played by the individual.
- Reflective of size of the company, complexity of the sector/ industry / Company's operations and the Company's capacity to pay and consistent with recognised best practices.
- Aligned to the regulatory requirements.

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 Executives 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.

In accordance with the policy:

- The remuneration / commission payable to each Independent Director shall be based on a remuneration structure depending on individual contribution, the Company's performance and shall be in accordance with the provisions of the Act, and the rules made thereunder for the time being in force.
- The Managing Director, Executive Director, Key Managerial Personnel, Senior Management and employees are paid fixed salary which includes basic salary, allowances, perquisites and other benefits and also annual incentive remuneration / performance linked incentive subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the NRC and the Board. The performance linked incentive is driven by the outcome of the performance appraisal process and the performance of the Company.
- The Executive Directors, draw or receive, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior sanction of the Shareholders/ Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

a. Remuneration of Non-Excecutive / Independent Directors

The Independent Directors are paid remuneration by way of Sitting Fees and Commission, as approved by the Shareholders and is based on the structure as approved by the Board. The Commission is paid at a rate not exceeding 1% of the profits of the Company computed in accordance with Section 198 of the Act. The Sitting fees are paid for attending each meeting of the Board/ Committees of the Board and are paid at ₹ 1,00,000/- for each Board/ Committee Meeting and also an annual commission/ Board fees based on the profits of the Company. The Independent Directors are also reimbursed of any out of pocket expenses incurred by them for the purpose of the Company. The Independent Directors may in addition to Sitting fees be given additional commissions (as % of net profits), based on Company's performance, subject to the overall 1% limit. The Independent Directors 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 remuneration paid to Independent Directors for the year ended March 31, 2021.

in ₹ crore except Unit data

Name	Remuneration*	Sitting fee	Total	No.of. shares held
Balakrishnan V	0.16	0.04	0.20	1,76,133
Amb. Leela K Ponappa	0.08	0.04	0.12	Nil
Chandrashekhar Bhaskar Bhave	0.08	0.04	0.12	Nil

*subject to the approval of shareholders in the ensuing Annual General Meeting

Note:

- Dr. Gururaj Deshpande being a Non-Independent and Non-Executive Director is not entitled for remuneration either in the form of sitting fees or commission for FY 2021.
- In view of no profits as computed in accordance with Section 198 of the Act, the Independent Directors, subject to the approval of the shareholders in the ensuing Annual General Meeting will be paid remuneration in accordance with Part II of Section II of Schedule V of the Companies Act, 2013.
- The Independent Directors have voluntarily taken a 10% reduction in the proposed remuneration(other than sitting fees) for FY 2021.
- The Independent Directors have been paid Sitting fee of ₹ 1,00,000/- per meeting for attending each Board/ Committee Meeting for the year ended March 31, 2021.

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 Company, based on the approval of the Shareholders in their 19th Annual General Meeting has entered into an Executive Employment agreement for a period of 5 years with Sanjay Nayak (effective from January 1, 2020) as Managing Director and CEO and Arnob Roy (effective from March 25, 2019) as Whole-time Director and COO setting out the key terms of appointment, term, remuneration etc. The employment agreement is available on the Company's website.

Remuneration paid / Restricted Stock Units granted to the Executive Directors during the year:

in ₹ crore except Unit data

Name	Designation	Gross Remuneration*	Perquisites on account of exercise of stock options#	Total	RSU granted during the year	No. of shares held
Sanjay Nayak[1]	CEO & Managing Director	1.62	0.10	1.72	-	27,00,529
Arnob Roy[2]	COO & Whole-time Director	1.15	-	1.15	-	6,64,200

Note:

* Salary includes fixed pay, retiral benefits for FY 2021 and performance linked variable pay of FY 2020 but paid in FY 2021.

In view of no profits as computed in accordance with Section 198 of the Act, the Managing Director and CEO/Whole-time 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, 2021.

1. Performance linked variable pay of FY 2021 will be paid in FY 2022 is ₹ 0.34 crore (30% of target variable pay).

2. Performance linked variable pay of FY 2021 will be paid in FY 2022 is ₹ 0.24 crore (30% of target variable pay).

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.

- 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.
- The retirement benefit shall include benefits such as provident fund and gratuity.
- No loan is granted to Executive Directors.

Remuneration for Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

The structure of the remuneration package for KMP and SMP are designed to balance short term operational performance with the medium and long term objective of creating sustainable value for the Company, while taking into account the interests of its stakeholders. To ensure that highly skilled and qualified KMP/ SMP can be attracted and retained, the Company aims for a total remuneration level that is comparable to levels provided by other companies that are similar in size and complexity. The overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys as well as factors such as affordability based on the Company's performance and the economic environment. The Company's total compensation for Key Managerial Personnel and Senior Management Personnel consists of fixed compensation, performance-linked variable pay benefits 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, trends in the market value of the job and the skills, experience and performance of the employee. The fixed compensation includes Basic Salary, Housing Allowance, Leave Travel Allowance and certain other allowances. The variable pay of Key Managerial Personnel and Senior Management Personnel are linked directly to the Company's and individual's performance as against the pre-agreed objectives for the year. Benefits include statutory benefits like contribution to the provident fund, gratuity and other benefits like include Health insurance, Personal Accident insurance etc. The Key Managerial Personnel and Senior Management Personnel may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

Remuneration paid / Restricted Stock Units granted to the KMP/ SMP during the year:

in ₹ crore except Unit data

Name of the KMP/SMP	Position	Gross Remuneration*	Perquisites#	Total	RSU granted during the year	No. of shares held
Venkatesh Gadiyar[1]	Chief Financial Officer	0.65	0.13	0.78	-	2,68,676
N R Ravikrishnan[2]	General Counsel, Chief Compliance Office and Company Secretary	0.47	0.04	0.51	-	16,004
Kumar N Sivarajan[3]	Chief Technology Officer	1.01	0.09	1.10	-	18,53,184
Sukhvinder Kumar[4]	President-Global Manufacturing Operations	0.85	-	0.85	-	7,172

Note:

* Salary includes fixed pay, retiral benefits for FY 2021 and performance linked variable pay of FY 2020 but paid in FY 2021.

[1] Performance linked variable pay of FY 2021 will be paid in FY 2022 is ₹ 0.14 crore (30% of target variable pay).

[2] Performance linked variable pay of FY 2021 will be paid in FY 2022 is ₹ 0.04 crore (30% of target variable pay).

[3] Performance linked variable pay of FY 2021 will be paid in FY 2022 is ₹ 0.21 crore (30% of target variable pay).

[4] Performance linked variable pay of FY 2021 will be paid in FY 2022 is ₹ 0.15 crore (30% of target variable pay).

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.

- The retirement benefits shall include benefits such as provident fund and gratuity.
- No loan is granted to Key Managerial Personnel/ Senior Management Personnel.

c. 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 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 months' pay or advance notice of similar period. The retirement benefits shall include benefits such as provident fund and gratuity wherever applicable.

5. Disclosures

The Board confirms the following additional disclosures for the year ended March 31, 2021

i. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC).

ii. The Company has not entered into any agreement with any media Company and/or its associates.

iii. The Company has complied with the applicable compliance requirements and there were no non-compliances, penalties, strictures imposed by any statutory authorities.

iv. 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.

v. 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 www.tejasnetworks.com/policies-codes.php.

vi. The Company also complies with the non-mandatory requirement in accordance with Schedule II Part E of the Listing Regulations by having separate posts of Chairman and Managing Director and Chief Executive Officer.

vii. Authorization 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.

viii. Constituted Senior Management Personnel (one level below CEO) in terms of Regulation 16(1) (d) of the Listing Regulations.

ix. The Company does not deal in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.

x. The Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32 and hence there is no disclosure on the utilization of funds.

xi. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

xii. The Company doesn't have a fixed hedging policy for foreign exchange risk.

xiii. 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.

6. Shareholders

a. Disclosures regarding appointment, re-appointment and continuation of Directors

- There are no appointments in the Board of Directors or its Committee thereof for the year ended March 31, 2021.
- The re-appointment of Sanjay Nayak (DIN: 01049871) as Chief Executive Officer and Managing Director of the Company as a Director liable to retire by rotation, subject to the approval of the shareholders in the ensuing 21st Annual General Meeting of the Company.
- The continuation of Independent Directorship of Amb. Leela K Ponappa (DIN: 07433990) till the end of her second term as Independent Director (i.e) till February 16, 2023 notwithstanding she will attain the age of 75 years on June 26, 2021.

b. 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.

c. 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.

d. General 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
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.
2019	July 25, 2019	3.00 P.M	Registered Office	• Re-appointment of Sanjay Nayak (DIN: 01049871) as Chief Executive Officer and Managing Director of the Company. • Appointment of Arnob Roy (DIN: 03176672) as Director liable to retire by rotation and as Chief Operating Officer and Whole time Director of the Company. • To borrow in excess of paid-up capital and free reserves of the Company.
2018	July 24, 2018	3.00 P.M.	Registered Office	Appointment of Amb. Leela K Ponappa (DIN: 07433990) as Independent Director for a further period of five (5) years, not liable to retire by rotation.

(ii) Extraordinary General Meetings

The Company did not hold any Extra-Ordinary General Meeting (s) during FY 2021.

(iii) Resolution(s) passed through Postal Ballot

During the year, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballot are available on the website at www.tejasnetworks.com/shareholders.php.

e. General Shareholder information

A separate section has been included in the Annual Report furnishing details as required under the Listing Regulations.

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, 2021, 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, 2021.
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, 2021

Sd/-
Sanjay Nayak
Managing Director & CEO
DIN: 01049871

Sd/-
Venkatesh Gadiyar
Chief Financial Officer

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 2021, 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 2021.
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 Reporting of internal auditor directly to the Audit Committee.

Sd/-
C. Dwarakanath
Company Secretary in Practice
C.P: 4847; FCS: 7723
UDIN: F007723C000249250

Bengaluru
May 06, 2021

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, 2021 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	Balakrishnan Venkatraman	02825465	09/11/2009
2	Dr. Gururaj Deshpande	01979383	24/04/2000
3	Amb. Leela Krishnamurthy Ponappa	07433990	16/02/2016
4	Sanjay Nayak	01049871	06/05/2000
5	Chandrashekhar Bhaskar Bhave	00059856	25/03/2019
6	Arnob Roy	03176672	25/03/2019

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: F007723C000249351

Bengaluru
May 06, 2021

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, 2021, 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, President- Global Manufacturing Operations and the Company Secretary.

Bengaluru
April 21, 2021

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

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. Tejas 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 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 2022 is:

Quarter Ending	Date of the Board Meeting	Date of the Trading Window Closure
June 30, 2021	July 21, 2021	June 15, 2021 to July 23, 2021
September 30, 2021	October 20, 2021	September 15, 2021 to October 22, 2021
December 31, 2021	January 19, 2022	December 15, 2021 to January 21, 2022
March 31, 2022	April 20, 2022	March 15, 2022 to April 22, 2022

Annual General Meeting

Date and time	June 25, 2021, Friday, 3.00 p.m IST
Mode	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
Transcripts	www.tejasnetworks.com/annual-general-meeting.php
E-Voting date	June 20, 2021 to June 24, 2021
Book Closure date	June 18, 2021 to June 25, 2021 (both days inclusive)

Dematerialisation of shares

Regulation 40 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has mandated that transfer of securities would be carried out only when securities are held in dematerialized 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 securities.

a) What is dematerialisation of shares

The process of converting physical securities (shares, stocks, mutual fund units, bonds, debentures, etc) into electronic form is known as dematerialisation. Dematerialisation offers flexibility along with security and convenience by allowing Shareholders to convert their physical certificates into electronic format.

b) Benefits of dematerialisation of shares

The dematerialisation of shares provides for a safe and convenient mode of holding securities of multiple companies with no risks associated such as loss of certificates, mutilation of certificates, bad delivery, fake/ forged certificates or endorsements, etc. It provides for easy and instant transfer of securities with no stamp duty on transfer of securities in demat mode with direct credit of benefits and corporate actions such as rights shares, bonus shares, stock split, etc. in the demat account of the shareholder.

The Company shares are tradable in electronic form only and have established connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through LinkIntime India Private Limited, our Registrar and Share Transfer Agents. The International Securities Identification Number (ISIN) allotted to our equity share under the Depository System is INE 010J01012. As on March 31, 2021, 99.69% of our shares was held in dematerialized form and the rest in physical form.

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, 2021 are as follows:

Description	No.of. shareholders[1]	No. of Shares	% to Equity
Physical Shares	128	2,90,651	0.31
Dematerialized Shares	50,192	9,29,49,693	99.69
Total	**50,320**	**9,32,40,344**	**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 31,2021 is 49,354.

Investor 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 stakeholders. The Company focuses on prompt, continuous and efficient communication to all its stakeholders and interacts with Stakeholders 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 and Vishwavani. These results are also made available on the Company's website at www.tejasnetworks.com/stock-exchange-filing-other-filing.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 FY 2021, the Company had participated in four Earnings/Analysts Call. The transcripts of the quarterly earnings calls with Analysts have also been published on its website.

(b) Website

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 Regulation 46 of LODR Regulations is made available on the Company's website at www.tejasnetworks.com/investor-relations.php.

(c) Press Releases and Analysts'/Investors' presentations

The Company sends the copy of press releases/official media releases to stock exchanges and also disseminates the same on the Company's website at www.tejasnetworks.com/financial-results.php. The Company makes detailed presentation to the Analysts and Institutional Investors on the quarterly / annual financial results.

(d) Annual Report

The Annual Report containing audited standalone and consolidated financial statements together with Directors' Report, Auditor's Report and other important information are circulated to Members entitled thereto and is also made available on the Company's website at www.tejasnetworks.com/annual-general-meeting.php.

(e) Stock Exchange filings

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. 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.

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

Shareholding pattern

The total shareholding of the Company for the year ended March 31, 2021 increased due to allotment of shares consequent to the exercise of ESOP and RSU by the eligible employees. The total share capital as on March 31, 2021 is ₹ 93,24,03,440 comprising of 9,32,40,344 equity shares of ₹ 10/- each.

Distribution of Shareholding as on March 31, 2021

No. of Shares held		Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
From	To				
1	500	44,689	88.81	41,81,961	4.48
501	1,000	2,501	4.97	19,90,976	2.14
1,001	2,000	1,298	2.58	19,58,327	2.10
2,001	3,000	550	1.09	14,14,137	1.52
3,001	4,000	280	0.56	10,10,176	1.08
4,001	5,000	200	0.40	9,32,801	1.00
5,001	10,000	383	0.76	28,26,815	3.03
10,001	and above	419	0.83	7,89,25,151	84.65
Total		**50,320**	**100**	**9,32,40,344**	**100**

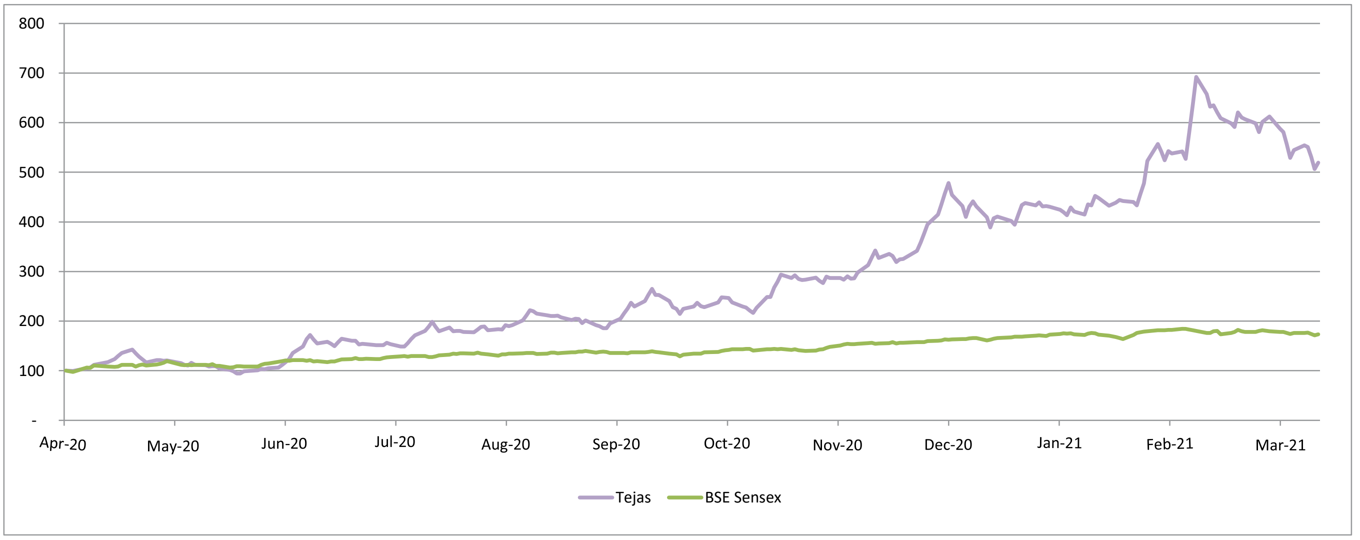
Stock Data

(a) Monthly High & Low prices at BSE & NSE

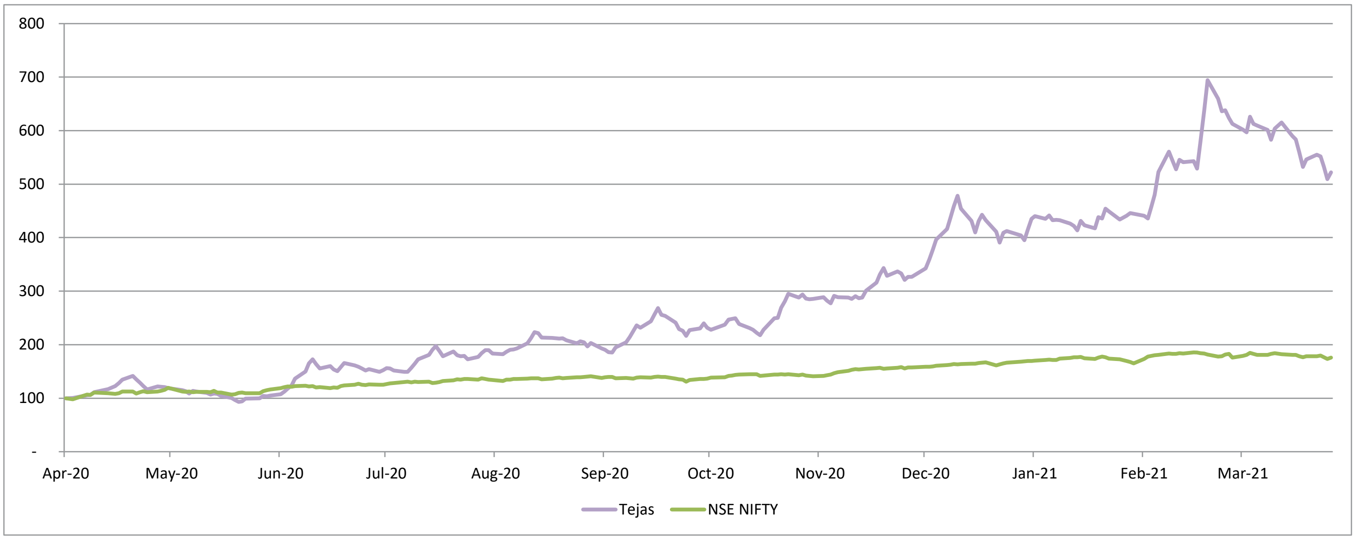
Month	NSE			BSE			Volume
	High (₹)	Low (₹)	Volume A (No.)	High (₹)	Low (₹)	Volume B (No.)	(A+B) (No.)
April 2020	46.80	30.50	19,47,099	47.00	31.00	1,59,470	21,06,569
May 2020	39.30	28.90	29,45,798	38.15	28.50	7,85,054	37,30,852
June 2020	55.35	33.10	64,35,616	55.00	33.25	9,63,904	73,99,520
July 2020	64.70	45.90	77,07,416	64.85	45.65	13,99,631	91,07,047
August 2020	73.85	55.10	50,71,042	73.75	55.05	8,67,505	59,38,547
September 2020	86.00	56.30	2,27,85,411	85.95	56.00	37,32,360	2,65,17,771
October 2020	97.65	67.90	1,49,32,052	97.50	67.10	21,50,008	1,70,82,060
November 2020	111.00	86.40	1,44,92,868	110.95	86.00	26,08,759	1,71,01,627
December 2020	156.00	101.50	1,96,87,784	155.85	101.45	43,29,352	2,40,17,136
January 2021	147.00	127.50	1,18,58,100	146.95	127.60	20,80,506	1,39,38,606
February 2021	220.85	135.85	1,95,45,672	221.50	136.00	26,69,274	2,22,14,946
March 2021	201.80	156.50	79,66,280	202.75	156.00	14,01,897	93,68,177
Total			**13,53,75,138**			**2,31,47,720**	**15,85,22,858**

(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, 2020 and NSE Nifty 50 index, BSE Sensex index value on April 1, 2020 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

1. Introduction

The objective of this document is to establish Process for Risk Management

2. Risk Management Process

2.1 Tejas Risk Management Framework

Tejas networks has established a framework to identify strategic, business and operational risks. To enable this, our organization has established central risk committee headed by our CFO and few key members of our Senior Management who are part of the Function risk committee members to oversee all the risks are identified and addressed on a timely basis to ensure there is minimal impact on our business and functioning of our organization.

The framework (Refer Figure 1 below) enables Tejas to use past experience and current conditions to identify those risks and make necessary changes to the defined policies and procedures and set objectives to the entire organization, In addition our compliance group also provide additional requirements to ensure legal and compliance requirements are addressed and any risk pertaining to this gets due attention in a timely manner

Appropriate training is provided as part of our process training to everybody in our organization along with enablers to monitor these through various tools within the organization.

At the operation and tactical level, In every function a function risk committee (Refer Figure 2 below) has been established who will assess the risk at their functional level to address those risks to meet the organizational goals and objectives. Any risk identified will follow through flow of identifying the risks in a timely manner, analyzing the risk on the impact to the business, evaluating the methods to address the risk and treat risk based on the identified mechanisms. During these phases this will be constantly monitored until the risk is treated.

Periodic reporting of the risks are passed by the various functions to the functional risk committee who then communicate it to the Central risk committee through management reports which is then percolated to the Tejas Network Board of Directors for further decision / guidance.

Figure 1:

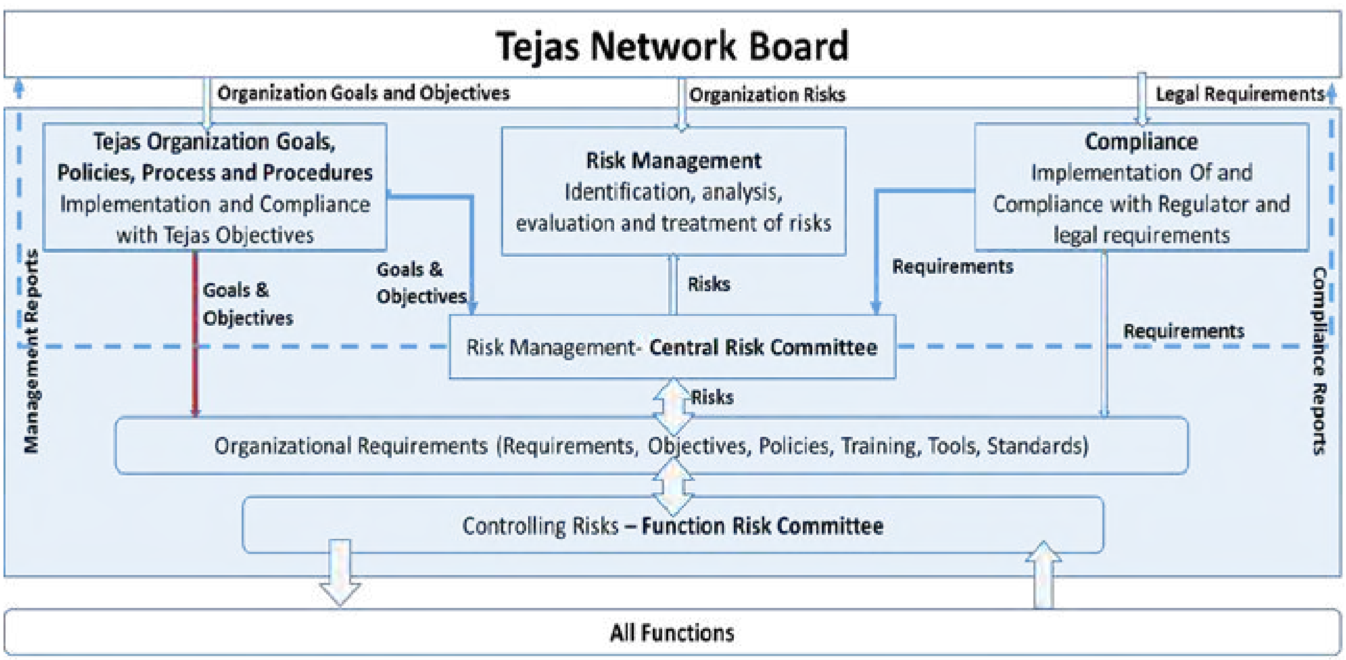
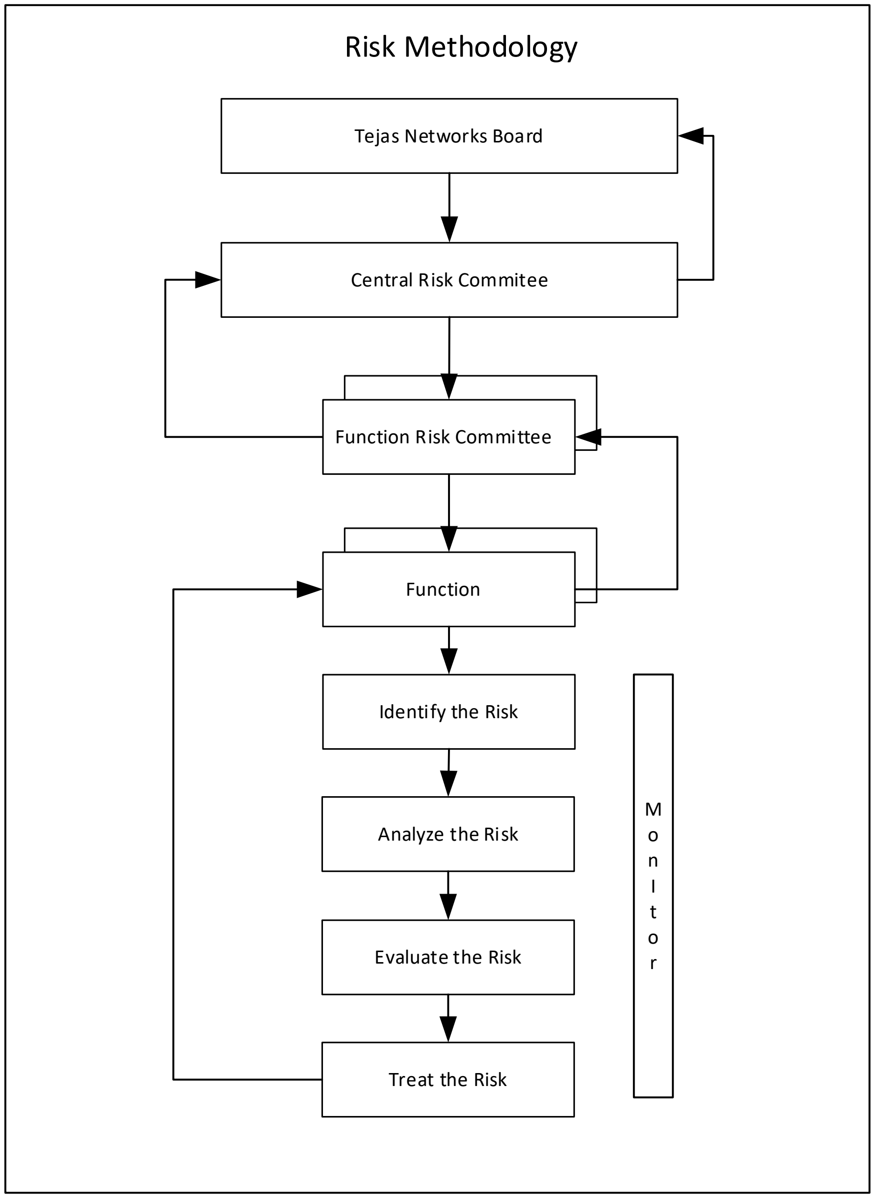


Figure 2:



2.2 Tejas Risk Policies and Procedures

Tejas risk policies and procedures is devised in the context of our current business goals, objectives, operations and business directions including new products and services that may be necessary to achieve these goals and objectives. Tejas 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 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 taken.

2.2.1 Risk Strategy

Risk Strategy is adopted to see how the risks can be handled effectively, based on the risk tolerance level determined and reviewed from time to time by the established committees and by choosing 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: Assessed risks addressed by levels of management appropriate to the nature and magnitude of the risk and an overall view of the portfolio risk to the business are taken. Appropriate cost-efficient actions taken to manage and control risks. Risk is defined as events that may prevent achievement of the business goals. Key characteristics by which risks are identified are: a) Their probability occurrence and severity may be identified by the trigger that caused this, b) Their occurrence is uncertain and may have different extents of likelihood. Recognizing the kind of risks our company may be exposed to, risks are classified broadly into the following categories:

- Strategic Risk: include the range of external events that can adversely impact the organization's strategic growth and destroy shareholder value. E.g Risks due product/technology competitiveness, component vendor consolidation, Operator consolidation to fewer number of larger operators
- Business Risk: 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. E.g Schedule delays, Quality issues
- Operational Risk: are those 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.
- Legal and Compliance Risk: are those risks which are associated with our financials which may result from litigation or due to violations with laws and regulations.

2.1.1.1 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 impacts in one area but on several possible areas of impact such as Human Resource, Revenue, Costs, People, Community, Performance etc. 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 to arrive at the risk index. Based on the Risk index determined for the identified risks they are further categorized into below risk type to appropriately handling of the risk effectively:

Risk Type	Definition	Actions
Major	All major risks will be monitored on a weekly basis and controlled at the earliest. All effort will be taken to ensure to be lowered as quickly as possible.	Periodic risk strengthening is done through training and proactive process management
Medium	These risks are the maximum acceptable by Tejas, provided they are effectively controlled. They will, however, be monitored as the likelihood or impact could increase in the future at least on a fortnightly basis or depending on the situation.	
Minor	These are not significant now and are not likely to increase in future.	

2.1.1.2 Risk Treatment

Risk treatment and control are done through selection of the most appropriate option (refer below table) for treating risks 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, where large reduction in risk may be obtained with relatively low expenditure, such options would be preferable to be implemented. Judgment is exercised where it is not economically viable as to whether they are justifiable to implement upon which appropriate actions are taken. Risk are proactively assessed on a regular basis and followed up depending on the case on an immediate basis or monthly or Quarterly or Annually depending on the risk index arrived at.

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 Report

About this Report

Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that top 1000 companies based on market capitalization as per NSE / BSE as on March 31 of every financial year, are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. The BRR as stipulated under the Listing Regulations describes the initiatives taken by the Company from an environmental, social and governance perspective. The report has been prepared as prescribed and in accordance with said Listing Regulations and forms part of the Annual report.

About Tejas Networks Limited

Tejas Networks designs, develops and sells high-performance optical and data networking products to telecommunications service providers, internet service providers, utilities, defense and government entities in over 75 countries. Tejas products utilize programmable, software-defined hardware architecture with a common software code-base that delivers seamless upgrades of new features and technology standards. Tejas Networks is ranked among top-10 suppliers in the global optical aggregation segment and has filed over 349 patents.

SECTION A:

GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:

   L72900KA2000PLC026980

2. Name of the Company:

   Tejas Networks Limited

3. Registered address:

   J P Software Park, Plot No 25, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli Bengaluru- 560100, Karnataka

4. Website:

   www.tejasnetworks.com

5. E-mail id:

   corporate@tejasnetworks.com

6. Financial Year reported:

   April 1, 2020 –March 31, 2021

7. Sector(s) that the Company is engaged in (industrial activity code- wise):

   Manufacture of Communication Equipment - NIC Code: 263

8. List three key products/services that the Company manufactures/ provides (as in balance sheet):

   Communication Product, Communication Software, Support Services towards Communication Products and Services.

9. Total number of locations where business activity is undertaken by the Company :

   (a) Number of International Locations - 8

   (b) Number of National Locations - 5

10. Markets served by the Company – Local/State/National/ International:

    India, USA, Mexico, Africa, Middle East, South Asia and South East Asia

SECTION B:

Financial details of the Company as on March 31, 2021

1. Paid- Up Capital (in INR)	₹ 93.24 crore
2. Total Turnover (in INR) (Consolidated)	₹ 526.60 crore
3. Total Profit/(Loss) after taxes (in INR) (Consolidated)	₹ 37.54 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit before tax (%)	Please refer to Annexure-5 of Board's Report for details.
5. List of activities in which expenditure in 4 has been incurred	

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

Yes. The Company has two subsidiaries (including a stepdown subsidiary) as on March 31, 2021. Please refer to Annexure 1 to the Board's Report for further details.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s)?**

Yes, Tejas Networks Limited encourages its Subsidiary Companies to participate in its group wide Business Responsibility (BR) initiatives on various activities. All subsidiary Companies are aligned to the activities under the aegis of Tejas Group.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

We do not mandate that our suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

SECTION D:

BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

Particulars	Details
DIN Number	01049871
Name	Sanjay Nayak
Designation	Managing Director and CEO
Telephone Number	080-41796400

(b) Details of the BR head

Particulars	Details
DIN Number	NA
Name	N R Ravikrishnan
Designation	General Counsel, Chief Compliance Officer and Company Secretary
Telephone Number	080-41796400
E-mail ID	ravikrishnanr@tejasnetworks.com

2. Principle-wise BR Policy/Policies

As per Regulation 34 of the Listing Regulations read with SEBI Circular No CIR/CFD/CMD/10/2015 dated 4th November 2015, the nine areas of Business Responsibilities are as follows:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.
Principle 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details of Compliance principle- wise (as per NVGs) BR policy / policies (reply in Y/N)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Does the Company have the policy for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.tejasnetworks.com/policies-codes.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y = Yes

All the policies are approved by the Board and duly signed by the Managing Director and CEO. These policies are based on guiding principles and core values. These policies are mapped to each principle hereunder:

S.No	Principle	Applicable policies
1	**Principle 1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	• Whistle Blower Policy • Code of Conduct
2	**Principle 2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	• Safety, Health and Environmental Policy • Food Safety & Quality Policy
3	**Principle 3** - Businesses should promote the well-being of all employees.	• Safety, Health and Environmental Policy • Policy on Prevention of Sexual Harassment at the work place
4	**Principle 4** - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	• CSR Policy • Stakeholders Relationship Policy

5	**Principle 5** - Businesses should respect and promote human rights.	• Whistle Blower Policy. • Policy on Prevention of Sexual Harassment at the work place
6	**Principle 6** - Businesses should respect, protect, and make efforts to restore the environment.	• Safety, Health and Environmental Policy • Quality Policy
7	**Principle 7** - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.	• Code of Conduct
8	**Principle 8** - Businesses should support inclusive growth and equitable development.	• CSR Policy
9	**Principle 9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.	• Food Safety & Quality Policy

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task.	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA – Not applicable

3. Governance related to BR

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Annually.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes the Business Responsibility Report. It is published on a yearly basis as part of the Annual Report. The same can be accessed at: www.tejasnetworks.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs / Others?**

   Our Code of Conduct and Whistle Blower policy covers not only the employees but also extended to cover Group/Joint Ventures/ Suppliers/Contractors/ NGOs / Other stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During FY 2021, there were no share-related complaints received from shareholders of the Company.

Principle 2:- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**

   TJ1400, TJ1600 product lines. The product lines have several power saving features and are designed to minimize carbon footprint.

2. **For each such product, provide the following details in respect of resource use (Energy, water, raw material etc.) per unit of product (optional):**

   The above products have several power saving features to lower the carbon footprint of the product. TJ1400 and TJ-1600 are designed using new generation field programmable chips

(FPGAs) for reducing static power and clock enable/gating logic to reduce dynamic power in FPGAs. TJI 1400 has been used in providing the rural broadband connections under Bharat Net projects to more than 40000+ villages in India so far.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Our suppliers are categorized into three broad categories – People, Services and Products. Our contracts have appropriate clauses and checks to prevent the employment of child labor or forced labor in any form. We continue to engage with all supplier segments working within our boundary covering People and Services. We engage with local suppliers for our People and Services categories.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   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. The proportion of spending on domestic suppliers at significant locations was about 40% in FY 2021. Today we have a very wide & well established supplier base including number of suppliers from local & small producers and we continue to encourage the strengthening of the local buying from India.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   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.

Principle 3: - Businesses should promote the well-being of all employees

The Company ensures a work environment that promotes well-being of all its employees. Focusing on health, safety and preventing discrimination are part of the Company's guiding principles on Employees' well-being. The Company provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability etc., The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance redressal mechanisms. The Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. Women friendly policies were introduced like increased Maternity Leave, Adoption Leave, Paternity Leave and Medical Insurance for Parents. We have a mechanism in place to foster a positive work place environment free from harassment of any nature. We have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the work place. We follow a gender-neutral approach in handling complaints of sexual harassment. Our ASHI policy applies to everyone involved in the operations of the Company, including vendors and clients. We have also constituted an Internal Complaints Committee (ICC) in all locations across India to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The cases are heard and resolved by an independent group. The Company contributes to the medical insurance of its employees and also organises health check-ups for employees. The Company also enhances employee engagement through various initiatives on an ongoing basis. The Company is deeply committed to safety of its Employees at workplace and regularly organises mock fire drills and Fire Safety training classes at all its locations.

1. **Please indicate the Total number of employees.**

   785

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   271. Most of our employees work as full-time, permanent employees

3. **Please indicate the Number of permanent women employees**

   89.

4. **Please indicate the Number of permanent employees with disabilities**

   Being an equal opportunity employer, we encourage employees to disclose their disabilities and seek reasonable accommodation to allow them to perform to their full potential. The number of employees who have voluntarily disclosed their disability status and the nature of disability stands at 2 as on March 31, 2021.

5. **Do you have an employee association that is recognized by management?**

   Not applicable.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Not applicable

7. **Please indicate the number of complaints relating to Child Labour, Forced Labour, Involuntary Labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

Category	No.of. Complaints filed during the financial year	No.of. Complaints pending as on the end of the financial year
Child labour/ forced labour/ involuntary labour	Nil	Nil
Sexual Harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year.**

   Safety: We conduct periodic demonstration of mock drills related to safety and security of all employees to generate awareness.

   Skill upgradation: Our training programs includes on-the-job training for all employees and class room sessions for about 50 per cent of our employee base.

Principle 4:- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

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's website, www.tejasnetworks.com contains comprehensive information about the Company. The Company also has designated an exclusive email-id for investor services ir@tejasnetworks.com. The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. **Has the Company mapped its internal and external stakeholders**

   Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations

2. **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.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is set out in its code of conduct. The policy provides conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   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.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer Stakeholders Relationship Committee Report of the Corporate Governance Report provided in the Annual Report.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

Tejas is committed to meeting ISO14001 Standard requirements and other relevant environmental regulations and undertakes continual improvements in its business management processes.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**

   The Company encourages all its external stakeholders to strictly adhere to safety and restoration of the environment. Our major suppliers for EMS and PCB vendors, cable assembly vendors comply with ISO 14001 standards and have a clear policy to safeguard the environment.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc**

   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 choose energy efficient chip sets which consume less power. We customize the power supply to ensure we don't over engineer the energy requirement. Most of our Parts are ROHS 6/6 compliant & environmentally friendly. In Integration facility we ensured we use lot of daylight and minimize the consumption of power. The Company designs its products in such a way that the total carbon footprint is minimized. The use of next-generation chips that consume less power, programmable slew rate/drive strength, dynamically tristable DCI and HSTL/low power serial links wherever possible minimizes energy use.

3. **Does the company identify and assess potential environmental risks? Y/N**

   As a responsible electronics product manufacturer, the Company ensures that its products meet international EU directives such as WEEE (Waste of Electrical and Electronics Equipment) and RoHS (restriction on the use of hazardous substances). The Company thus contributes to a circular economy through improvements in collection, treatment and recycling of electronics at the end of their life.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Tejas Networks 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.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   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.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   As the nature of Tejas production system is green, the emission and waste generated are well within the permissible limits.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There were no pending or unresolved show cause/legal notices from CPCB/SPCB as at the end of 2020-21.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Telecom Export Promotion Council (TEPC), India Electronics and Semiconductor Association (IESA), Federation of Karnataka Chamber of Commerce and Industry (FKCCI), Telecom Equipment Manufacturer Association (TEMA), Confederation of Indian Industry (CII), Federation of Indian Exporter Organization (FIEO), Federation of Indian Chambers of Commerce and Industry (FICCI).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company through ISMA, SISMA and various other industry associations, participates in advocating matters for advancement of the industry's interest and public good. It supports various initiatives of the Government which include farmers welfare, environment, customer information and education.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Tejas Networks Limited ('Tejas' or 'the Company') has adopted Corporate Social Responsibility Policy ('CSR') initiatives so as to attain the sustained economic performance, environmental and social stewardship and strive for economic development that positively impacts the society at large. Tejas 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.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   The Company undertakes CSR project/programs identified by the CSR Committee and approved by the Board of Directors, in line with the CSR Policy. The CSR activity is carried out through external NGO and also by an organization of repute.

3. **Have you done any impact assessment of your initiative?**

   Yes, the CSR committee internally performs a review and an impact assessment of its initiatives at the end of each year to understand the effectiveness of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   During FY 2021, the Company has spent an amount of ₹ 97.50 Lakh on various CSR activities encompassing various community development projects. Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure '5' to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The CSR Committee of the Board of Directors identifies and implements all CSR projects/ programs and periodic reports are provided for review by the committee. The responsibilities of the CSR Committee include formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken, Recommending the amount of expenditure for the CSR activities, and Monitoring CSR activities from time to time.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   There were no customer complaints/consumer cases pending as on March 31, 2021.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws ?**

   Yes. Over and above the mandatory requirements, the Company also subscribes to various customer information requirements. Product Information about the physical dimensions and/or compositions/nutrient content is provided through the product labels/pack declaration and/or catalogues.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, we conduct a customer satisfaction survey every year.

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, 2021, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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, 2021, 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 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.

Emphasis of Matter

4. We draw your attention to the following :
   a. Note 39 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
   b. Note 28(A)(i) to the standalone financial statements regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to ₹ 91.19 crore (net of provision) included in Note 6 'Trade Receivables' as at year end. The Company's Management believes that the aforesaid receivables are good and fully recoverable and that no additional allowances for credit losses are necessary in respect of these balances as at March 31, 2021.

Our opinion is not modified in respect of these matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description

Appropriateness of contingent liability disclosed in respect of an Indirect tax matter

(Refer note 30.1 to the standalone financial statements)

The Company, in earlier years, had received Orders from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) and Commissioner of Central excise with respect to applicability of excise duty on software used as part of the multiplexer products during the financial years from 2002-03 to 2009-10 and inclusion of the value of the software for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. During the year 2019-20, the Adjudicating Authority determined the liability of the company in this matter at ₹ 42.92 crore, representing the differential duty and penalty. The Company filed appeals with the Supreme Court and CESTAT against the above Orders/demand. Further, the Company has received show cause notices in respect of this matter amounting to ₹ 3.01 crore for the financial years 2010-11 to 2013-14 to which it has responded.

Significant management judgement is required in assessing the appropriateness of the amount of contingent liability to be disclosed and in assessing the likelihood of ultimate outcome of the dispute which is supported by opinion obtained from the Company's external legal counsel, and is accordingly, determined as a key audit matter.

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 identifying tax exposures, their accounting and disclosures.
- Reading correspondence from the concerned tax authorities.
- Circularising letter to the external legal counsel of the Company for obtaining the status of litigations.

- Evaluating the objectivity, competence and capabilities of such external legal counsel.
- Reading the opinion of the external legal counsel provided by the management in respect of the applicability of excise duty on software used as part of the multiplexer products.
- Involving auditor's tax experts to assess management's positions for significant tax exposures in light of the dynamic tax environment and existing jurisprudence, to assess the key judgements made by the Company.
- Assessing the appropriateness of the disclosures relating to the aforesaid matter.

Based on the above procedures performed, we found the judgements made by the Management in considering this matter as contingent liability and disclosure thereof to be reasonable.

Description

Assessment of the carrying value of Intangible Assets (including intangibles under development)

Refer to notes 4(b) and 30.8 to the standalone financial statements.

The Company undertakes development of various products, and capitalises expenditure that qualifies for recognition as intangible assets (product development). Such expenditure predominantly represents internal manpower costs incurred on such 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 assessment of the carrying values of intangible assets (including intangibles under development) is dependent on future economic benefits expected to be generated by such assets and if these are below the carrying value, there is a risk that the assets are impaired.

The Company has carried out an impairment assessment of intangible assets (including intangibles under development) and concluded that the future economic benefits expected to be generated from these assets are higher than the carrying amounts of such assets. Accordingly, no adjustment to the carrying amount of intangible assets (including intangibles under development) is considered necessary as at March 31, 2021.

We considered this a key audit matter as:

- The amounts involved were material.
- The review of carrying values of intangible assets, including intangible assets under development performed by the Company involves a number of significant judgements and estimates such as expected future economic benefits, estimated profit margins and discount rates.

How our audit addressed the 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 intangibles under development).
- Testing the capital funding request forms and other documentation to ensure that the projects were appropriately approved by the Chief Operating Officer and Chief Financial Officer 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, agreeing cost of external contractors to vendor invoices.
- Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors.
- 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.)
- Involvement of auditor's experts for 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 intangibles under development), to be reasonable.

Description

Assessment of recoverability of Deferred Tax Assets (DTA) on tax losses and tax credits with respect to Minimum Alternate Tax (MAT)

(Refer notes 2.14, 10, and 26 to the standalone financial statements.)

- The Company has recognised DTA of ₹ 7.05 crore on unabsorbed depreciation and business losses carried forward from the previous years (together referred to hereinafter as "tax losses"). Further, the Company has also recognised DTA on tax credits with respect to Minimum Alternate Tax (MAT) aggregating to ₹ 44.14 crore.
- DTA has not been recognised on certain matters including weighted deduction for Expenditure on Scientific Research under Section 35(2AB) of the Income-tax Act, 1961 for earlier years which are disputed by the income tax authorities.
- DTA has been recognised on the basis of Company's assessment of availability of future taxable profit to be able to utilise such tax losses and tax credits. The recoverability of the DTA depends upon factors such as the projected taxable profits of business, the period considered for such projections, the rate at which those profits will be taxed, period over which tax losses will be available for recovery and the likely outcome of disputes pending with the tax authorities.

- The assessment of DTA is considered a key audit matter as the amounts involved are material to the financial statements and significant estimates and judgement are involved in assessing the amount of DTA and also in relation to preparation of forecasts of future taxable profits based on the underlying business plans.

How our audit addressed the matter?

Evaluation of the design and testing of the operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of DTA relating to unabsorbed tax losses and tax credits;

- Testing the appropriateness of the amount of DTA by tracing the tax losses and the tax credits to the income tax returns filed and assessment orders received by the Company and evaluating the judgement made by the Company on the amounts disputed by the Income Tax Authorities.
- Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment.
- Testing, whether projections prepared by the Company were consistent with our understanding and knowledge of current business and the general economic environment in which the Company operates and whether the tax losses and MAT can be utilized within the recoupment period.
- Assessing appropriateness of the assumptions used in the projections of future taxable profits.
- Reviewing the adequacy of disclosures made in the financial statements with regard to deferred taxes.

Based on the above procedures performed, our testing did not identify any significant exceptions with respect to the reasonableness of the assumptions and estimates used by the management in assessing the recoverability of DTA recognised in respect of tax losses and tax credits as at year end.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Corporate Governance Report and Shareholder information, but does not include the financial statements and our auditor's report thereon.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the 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

9. 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 judgements 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.
10. In preparing the 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. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

11. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgement 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.

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

16. As required by the Companies (Auditor's Report) Order, 2016 ("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.
17. 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 Cash Flow Statement 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 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 30.1 to the financial statements;
        ii) The Company has long-term contracts as at March 31, 2021 for which there are no material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts;
        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, 2021.
        iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
18. The Company has paid/ provided for managerial remuneration to the whole-time directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Further, as stated in Note 30.6(ii) to the financial statements, the Company proposes to obtain required approval of the shareholders at the ensuing annual general meeting for remuneration aggregating to ₹ 0.32 crore proposed to be paid to the independent directors.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 21209136AAAABC5118

Place: Bengaluru
Date: April 21, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of Tejas Networks Limited on the standalone financial statements for the year ended March 31, 2021.

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, 2021 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 control 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, 2021, 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. Also refer paragraph 4 of the main standalone audit report.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 21209136AAAABC5118

Place: Bengaluru
Date: April 21, 2021

Annexure B to Independent Auditor's Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of Tejas Networks Limited on the standalone financial statements for the year ended March 31, 2021.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets 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 fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The Company does not own any immovable properties as disclosed in 4(a) on Property, plant and equipment to the standalone financial statements. Therefore, the provisions of Clause 3(i)(c) of the Order are not applicable to the Company.

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. 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 material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 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 Section 185 and 186.

v. The Company has not accepted any 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 generally regular in depositing undisputed statutory dues in respect of tax deducted at source, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income 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 dues of service-tax, duty of customs and goods and service 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, 2021 which have not been deposited on account of a dispute, are as follows:

in ₹ crore

Name of the Statue	Nature of Dues	Amount Gross	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest
Central Excise Act, 1944	Tax, interest and penalty	42.92	2002-10	Supreme Court and CESTAT, Chennai	2.38
Central Excise Act, 1944	Tax, interest and penalty	0.71	2012-13	CESTAT, Chennai	0.20
Central Sales Tax Act, 1956	Tax and interest	0.45	2010-11	DCCT (Audit), Bangalore	-
Central Sales Tax Act, 1956	Tax and interest	0.13	2011-12	DCCT (Audit), Bangalore	-
Karnataka Value Added Tax Act, 2003	Tax, interest and penalty	0.21	2011-12	DCCT (Audit), Bangalore	-
West Bengal Value Added Tax Act, 2003	Tax and interest	0.51	2014-15	West Bengal Sales Tax Appellate Revisionary Board	0.05
Income Tax Act, 1961	Tax and interest	6.50	2009-10	Income Tax Appellate Tribunal	0.08
	Tax and interest	1.19	2010-11	Income Tax Appellate Tribunal	0.05

Customs Act, 1962	Tax	0.01	2020-21	Commissioner (Appeals), Bangalore.	0.01
		6.11	2015-16 to 2018-19	Commissioner (Appeals), Bangalore	6.11
		0.14	2018-19	Commissioner (Appeals), Chennai	0.14
		0.02	2020-21	Commissioner (Appeals), Bangalore	0.02

Note: The disputed dues above do not include demands received by the Company from the Deputy Commissioner of Commercial Taxes (DCCT) for ₹ 5.04 crore under the Karnataka Value Added Tax (KVAT) relating FY 2016-17 and demand for ₹ 8.94 crore under the Central Sales Tax (CST) Act, 1956 relating to FY 2016-17. Subsequent to the year end, the Company has filed a rectification application with the DCCT in respect of the aforementioned orders.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration to the whole-time directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Further, as stated in Note 30.6(ii) to the financial statements, the Company proposes to obtain required approval of the shareholders at the ensuing annual general meeting for remuneration aggregating to ₹ 0.32 crore proposed to be paid to the independent directors. Also refer paragraph 18 of our main standalone audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 21209136AAAABC5118

Place: Bengaluru
Date: April 21, 2021

Standalone Balance Sheet

in ₹ crore

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	29.48	30.55
Right-of-use assets	4(a)	16.10	21.29
Intangible assets	4(b)	65.43	26.81
Intangible assets under development	4(b)	24.49	26.99
Investments in subsidiaries	5(a)	10.87	10.87
Financial assets			
(i) Investments	5(b)	0.00	0.00
(ii) Trade receivables	6	72.97	80.28
(iii) Loans	8	5.33	5.58
(iv) Other financial assets	9	1.54	1.11
Current Tax Asset (net)	10(a)	62.61	47.80
Deferred Tax Assets	10(b)	56.72	41.70
Other non-current assets	11	6.98	6.97
Total non - current assets		352.52	299.95
Current assets			
Inventories	12	213.65	251.99
Financial assets			
(i) Investments	5(c)	37.37	50.97
(ii) Trade receivables	6	330.88	364.24
(iii) Cash and cash equivalents	7(i)	52.44	66.05
(iv) Bank balances other than (iii) above	7(ii)	164.09	76.71
(v) Loans	8	0.46	1.07
(vi) Other financial assets	9	110.01	91.40
Other current assets	11	53.46	37.46
Total current assets		962.36	939.89
Total assets		1,314.88	1,239.84
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	96.51	95.48
Other equity	14	1,036.45	984.28
Total equity		1,132.96	1,079.76
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	15	17.07	21.91
Provisions	16	0.69	0.59
Total non - current liabilities		17.76	22.50
Current liabilities			
Financial liabilities			
(i) Lease Liabilities	15	4.83	5.97
(ii) Trade payables	17		
(a) Total outstanding dues of micro and small enterprises		11.84	10.96
(b) Total outstanding dues of creditors other than micro and small enterprises		86.45	66.96
(iii) Other financial liabilities	18	46.00	39.59
Provisions	16	5.22	7.08
Other current liabilities	19	9.82	7.02
Total current liabilities		164.16	137.58
Total liabilities		181.92	160.08
Total equity and liabilities		1,314.88	1,239.84

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, 2021

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

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

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, 2021	Year Ended March 31, 2020
I	Revenue from operations	20	524.49	386.20
II	Other Income	21	24.81	33.71
III	Total income (I + II)		549.30	419.91
IV	Expenses			
	Cost of materials consumed	22	268.74	203.58
	Employee benefit expense	23	109.57	103.22
	Finance costs	24A	3.58	7.57
	Depreciation and amortization expense	4(c)	52.12	77.05
	Impairment of non-current assets	4(b)	-	69.87
	Allowance for expected credit loss	24B	12.49	18.81
	Other expenses	25	80.53	77.42
	Total expenses (IV)		527.03	557.52
V	Profit/(Loss) before tax (III - IV)		22.27	(137.61)
VI	Income tax expense	26		
	Current tax		-	-
	Deferred tax expense/(benefit)		(15.02)	98.55
	Total tax expense (VI)		(15.02)	98.55
VII	Profit/(Loss) after tax (V - VI)		37.29	(236.16)
VIII	Other comprehensive income/(loss)			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit obligation		2.21	(1.07)
	Income tax relating to above		-	-
	Other comprehensive income/(loss) for the year, net of tax (VIII)		2.21	(1.07)
IX	Total comprehensive income/(loss) for the year (VII + VIII)		39.50	(237.23)
X	Earnings/(Loss) per equity share (Refer Note No: 30.7)			
	Equity shares of par value ₹ 10 each			
	Basic		4.03	(25.66)
	Diluted		3.96	(25.66)
	Weighted average equity shares used in computing earnings per equity share			
	Basic		9,25,53,796	9,20,38,454
	Diluted		9,41,28,273	9,20,38,454

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

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

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

Venkatesh Gadiyar
Chief Financial Officer

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

Place: Bengaluru
Date: April 21, 2021

Standalone Statement of Cash Flows

in ₹ crore

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash flows from operating activities			
Profit/(Loss) before tax for the year		22.27	(137.61)
Adjustments to reconcile net profit/(loss) to net cash provided by operating activities:			
Depreciation and amortization expense	4(c)	52.12	77.05
Impairment of product development	4(b)	-	32.77
Impairment of Intangible assets under development	4(b)	-	37.10
Allowance for expected credit loss	24B	12.49	18.81
Bad Debts written off	25	-	0.07
Allowance for expected credit loss released	25	-	(0.02)
Interest Income	21	(20.27)	(11.94)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	21	0.18	0.10
Gain on sale of current investment carried at fair value through statement of profit and loss	21	(2.81)	(4.08)
Finance costs	24A	3.58	7.57
Unrealised Exchange Differences (Net)		5.19	(7.26)
Loss/ (profit) on sale of property, plant and equipment	21	(0.01)	(0.02)
Expense recognized in respect of equity-settled share-based payments	23	8.00	11.20
		80.74	23.74
Movements in working capital:			
(Increase)/decrease in inventories		38.34	(70.60)
(Increase)/decrease in trade receivables		22.70	194.15
(Increase)/decrease in loans		0.92	(1.39)
(Increase)/decrease in other financial assets		4.72	4.86
(Increase)/decrease in other assets		(16.38)	(16.79)
Increase/(decrease) in trade and other payables		21.13	(86.02)
Increase/(decrease) in provisions		0.16	(3.73)
Increase/(decrease) in other financial liabilities		6.63	(30.43)
Increase/(decrease) in other liabilities		2.79	(2.40)
Cash generated from operations		161.75	11.39
Income taxes paid		(4.77)	(10.87)
a) Net cash generated from operating activities		156.98	0.52
Cash flows from investing activities			
Expenditure on property, plant and equipment		(14.16)	(20.63)
Expenditure on intangible assets (including under development)		(68.36)	(72.14)
Sale proceeds of property, plant and equipment		0.01	0.03
Investments in Deposits with banks		(238.43)	(156.10)
Withdrawals of Deposits from banks		150.62	184.56
Investments in Deposits with financial institutions		(144.44)	(99.07)
Withdrawals of Deposits from financial institutions		121.46	174.07
Investments in liquid mutual funds		(555.05)	(727.05)
Redemption of liquid mutual funds		571.26	766.61
Interest received		9.83	21.00
b) Net cash generated from/(used in) investing activities		(167.26)	71.28
Cash flows from financing activities			
Proceeds from exercise of restricted stock units/ESOPs		5.70	2.82
Dividend paid (including Tax on dividend)		-	(11.08)
Repayment of borrowings		-	(1.19)
Principal repayment on lease liabilities		(5.73)	(5.58)
Interest payment on lease liabilities		(2.29)	(2.78)
Interest paid		(1.01)	(4.35)
c) Net cash (used in) financing activities		(3.33)	(22.16)

in ₹ crore

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
d) Net increase/(decrease) in cash and cash equivalents		(13.61)	49.64
Cash and cash equivalents at the beginning of the year [Refer Note No. 7(i)]		66.05	16.41
Effects of exchange rate changes on the balance of cash held in foreign currencies (Refer Note No. 37)		0.00	-
Cash and cash equivalents at the end of the year [Refer Note No. 7(i)]		52.44	66.05

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, 2021

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

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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 Changes in Equity

A. Equity Share Capital

in ₹ crore

Particulars	Note	Amount
As at April 1, 2019*		94.99
Increase in equity share capital on account of exercise of ESOP and RSU	13	0.49
As at March 31, 2020*		95.48
Increase in equity share capital on account of exercise of ESOP and RSU	13	1.03
As at March 31, 2021*		96.51

*Includes forfeited shares of ₹ 3.27

B. Other Equity

in ₹ crore

Particulars	Notes	Reserves and Surplus			Total equity attributable to shareholders of the Company
		Securities premium	Retained earnings	Employee stock compensation outstanding account	
Balance as at April 01, 2019		931.17	265.56	27.02	1,223.75
(Loss)/Profit for the year	14	-	(236.16)	-	(236.16)
Other comprehensive income	14	-	(1.07)	-	(1.07)
Total comprehensive income for the year		-	(237.23)	-	(237.23)
Transaction with owners in their capacity as owners:					
Premium received on exercise of ESOP	14	2.33	-	-	2.33
Employee Share based payment expenses	23	-	-	11.20	11.20
Reclassification upon exercise of ESOP/RSU	14	4.30	-	(4.30)	-
Impact on account of adoption of Ind AS 116		-	(4.69)	-	(4.69)
Dividend paid	14	-	(9.19)	-	(9.19)
Dividend distribution tax	14	-	(1.89)	-	(1.89)
Balance as at March 31, 2020		937.80	12.56	33.92	984.28
Balance as at April 01, 2020		937.80	12.56	33.92	984.28
Profit for the year	14	-	37.29	-	37.29
Other comprehensive income	14	-	2.21	-	2.21
Total comprehensive income for the year		-	39.50	-	39.50
Transaction with owners in their capacity as owners:					
Premium received on exercise of ESOP	14	4.67	-	-	4.67
Employee Share based payment expenses	23	-	-	8.00	8.00
Reclassification upon exercise of ESOP/RSU	14	8.80	-	(8.80)	-
Balance as at March 31, 2021		951.27	52.06	33.12	1,036.45

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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Chief Financial Officer

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

Place: Bengaluru
Date: April 21, 2021

Notes to the standalone financial statements for the year ended March 31, 2021

1 Corporate Information

Tejas Networks Limited ('Tejas' or 'the Company') is an optical 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, defence 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. The Company has branches in USA, Kenya, Mexico and UAE and has a subsidiary and step down subsidiary in Singapore and Nigeria respectively.

These financial statements have been approved by the Company's Board of Directors on April 21, 2021.

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 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 Company has adopted the following amendments to Ind AS standards from 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions- amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

(iv) Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no new standards or amendments to existing standards which have been notified by the MCA and not yet been adopted by the Company.

(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:

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

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

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

The 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 cost less depreciation and accumulated impairment losses if any. 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
Cards/Prototypes	4 years
Servers	5 years

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

On Transition to Ind AS, the 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, 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. 2.3.2).

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

2.4.3 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 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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 Initial Recognition and Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

2.8.3 Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

2.8.4 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' and 'Tejas Restricted Stock Unit Plan 2017' ("RSU – 2017") for the benefit of eligible employees.

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

a) including any market performance conditions

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

c) including the impact of any non-vesting conditions

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the 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. 30.3]

2.18 Leases

As a lessee

Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'.

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. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Company holds trade receivable with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The 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) and assessment of their carrying value - [Refer Note No. 2.4.2, Note No. 2.4.3 and Note No. 4(b)]

(ii) Defined benefit obligations - Refer Note No. 23

(iii) Impairment of trade receivables - Refer Note No. 28A

(iv) Recognition and recoverability of deferred tax assets on tax losses - Refer Note No. 10(b)

(v) Evaluation of tax litigation - Refer Note No. 30.1

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the 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	Cards/ Prototypes	Servers	Total	Right-of-use asset*
Gross carrying value as of April 1, 2019	20.77	0.66	6.32	8.09	0.90	6.26	0.14	22.02	2.80	67.96	-
Recognition on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	22.65
Additions	2.06	0.21	1.00	1.44	0.82	0.98	-	6.01	0.89	13.41	3.87
Deletions (Refer Note No. 37)	-	-	0.01	0.01	-	0.00	-	-	-	0.02	-
Gross carrying value as of March 31, 2020	22.83	0.87	7.31	9.52	1.72	7.24	0.14	28.03	3.69	81.35	26.52
Accumulated depreciation as of April 1, 2019	(8.81)	(0.47)	(4.91)	(4.70)	(0.51)	(3.56)	(0.01)	(13.60)	(0.71)	(37.28)	-
Depreciation for the year	(4.50)	(0.13)	(0.60)	(1.30)	(0.33)	(1.76)	(0.04)	(4.21)	(0.66)	(13.53)	(5.23)
Accumulated depreciation on deletions (Refer Note No. 37)	-	-	0.00	(0.01)	-	0.00	-	-	-	(0.01)	-
Accumulated depreciation as of March 31, 2020	(13.31)	(0.60)	(5.51)	(5.99)	(0.84)	(5.32)	(0.05)	(17.81)	(1.37)	(50.80)	(5.23)
Carrying value as of March 31, 2020	9.52	0.27	1.80	3.53	0.88	1.92	0.09	10.22	2.32	30.55	21.29
Gross carrying value as of April 1, 2020	22.83	0.87	7.31	9.52	1.72	7.24	0.14	28.03	3.69	81.35	26.52
Additions	1.68	0.28	0.03	0.11	0.22	1.96	-	8.78	0.56	13.62	-
Deletions	-	-	-	-	0.06	0.02	-	-	-	0.08	-
Gross carrying value as of March 31, 2021	24.51	1.15	7.34	9.63	1.88	9.18	0.14	36.81	4.25	94.89	26.52
Accumulated depreciation as of April 1, 2020	(13.31)	(0.60)	(5.51)	(5.99)	(0.84)	(5.32)	(0.05)	(17.81)	(1.37)	(50.80)	(5.23)
Depreciation for the year	(3.93)	(0.12)	(0.69)	(0.98)	(0.35)	(1.56)	(0.04)	(6.28)	(0.74)	(14.69)	(5.19)
Accumulated depreciation on deletions	-	-	-	-	(0.06)	(0.02)	-	-	-	(0.08)	-
Accumulated depreciation as of March 31, 2021	(17.24)	(0.72)	(6.20)	(6.97)	(1.13)	(6.86)	(0.09)	(24.09)	(2.11)	(65.41)	(10.42)
Carrying value as of March 31, 2021	7.27	0.43	1.14	2.66	0.75	2.32	0.05	12.72	2.14	29.48	16.10

* Right-of-use asset pertains to buildings. (Refer Note No. 30.5(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, 2021, has submitted claims aggregating to ₹ 8.98 (March 31, 2020 - ₹ 8.98) which has not been adjusted to the cost of respective assets in the absence of reasonable assurance that the claim will be received.

(ii) Contractual Obligation : Refer Note No. 30.1 (b) for contractual commitments for the acquisition of property, plant and equipment.

(iii) Refer Note No. 32 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[1]
Gross carrying value as of April 1, 2019	14.39	199.53	213.92	41.38
Additions	4.83	44.60	49.43	67.31
Deletions/Transfers	-	-	-	44.60
Gross carrying value as of March 31, 2020	19.22	244.13	263.35	64.09
Accumulated amortization as of April 1, 2019	(11.25)	(134.23)	(145.48)	-
Amortization expenses for the year	(6.69)	(51.60)	(58.29)	-
Impairment loss[2]	-	(32.77)	(32.77)	(37.10)
Accumulated amortization and impairment as of March 31, 2020	(17.94)	(218.60)	(236.54)	(37.10)
Carrying value as of March 31, 2020	1.28	25.53	26.81	26.99
Gross carrying value as of April 1, 2020	19.22	244.13	263.35	64.09
Additions	2.72	68.14	70.86	65.64
Transfer	-	-	-	68.14
Deletions	-	32.77	32.77	37.10
Gross carrying value as of March 31, 2021	21.94	279.50	301.44	24.49
Accumulated amortization and impairment as of April 1, 2020	(17.94)	(218.60)	(236.54)	(37.10)
Amortization expenses for the year	(3.02)	(29.22)	(32.24)	-
Deletions	-	32.77	32.77	37.10
Accumulated amortization and impairment as of March 31, 2021	(20.96)	(215.05)	(236.01)	-
Carrying value as of March 31, 2021	0.98	64.45	65.43	24.49

Remaining useful life for product development ranges from 3 to 24 months (March 31, 2020: 3 to 23 months).

Notes:

1. Additions to Intangible Assets under development pertains to capitalization of employee benefit expense and other expenses (Refer Note No. 23 and Note No. 25).

2.Management has carried out an impairment evaluation of its intangible assets under development as at March 31, 2021 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 8% to 14% (March 31, 2020: by 4% to 11%) 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.

The Company recognised impairment loss of ₹ 69.87 on identified product development and intangible assets under development during the year ended March 31, 2020. The Company discontinued development on certain intangible assets and consequently the development expenditure of ₹ 37.10 related to such intangible assets under development were fully impaired. Further, management identified certain products where no future economic benefits would be recoverable based on the management's estimate of the likely customer demand for such products. Consequently, related product development costs, having a carrying value of ₹ 32.77 was fully impaired during the year ended March 31, 2020.

Sensitivity Analysis

As at March 31, 2021, the net carrying amount of product development is ₹ 64.45 (March 31, 2020 – ₹ 25.53). 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 ₹ 46.33 as at March 31, 2021. If the useful life were estimated to be 3 years, the carrying amount would be ₹ 77.87 as at March 31, 2021.

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

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Depreciation on property, plant and equipment [Refer Note No. 4(a)]	14.69	13.53
Depreciation on Right of use assets [Refer Note No. 4(a)]	5.19	5.23
Amortization of intangible assets [Refer Note No. 4(b)]	32.24	58.29
Total depreciation and amortization expenses	52.12	77.05

Note No. 5: Investments

(all amounts in ₹ Crore, except equity share and per equity share data)

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current investments (Unquoted)		
5(a) Investment in subsidiaries		
Equity instruments of subsidiaries (at cost)		
14,64,340 (As at March 31, 2020: 14,64,340) equity shares fully paid up in Tejas Communication Pte Ltd, Singapore	6.69	6.69
Total equity instruments of subsidiaries	6.69	6.69
Preference shares of subsidiaries (at cost)[1]		
13,68,400 (As at March 31, 2020: 13,68,400) Redeemable Preference Shares fully paid up in Tejas Communication Pte Limited, Singapore	4.18	4.18
Total preference shares of subsidiaries	4.18	4.18
Total investments in subsidiaries	10.87	10.87

[1] 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.

5(b) Other Investments (Unquoted) {FVTPL}

Equity instruments of others		
Investment in ELCIA ESDM Cluster (No. of shares 1100) (Refer Note No: 37)	0.00	0.00
Total other investments	0.00	0.00

5(c) 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	80,801	2.68	2,39,547	7.65
Axis liquid fund Direct Growth - CFDG	23,841	5.45	84,410	18.61
ICICI Prudential Liquid Fund Direct Plan Growth	85,949	2.62	-	-
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	24,774	12.47	37,768	18.32
Tata Liquid Fund Direct Plan Growth	42,672	13.85	20,397	6.39
DSP Liquidity Fund - Direct Plan - Growth	1,031	0.30	-	-
Total current investments		37.37		50.97
Non Current Investments				
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		10.87		10.87
Aggregate amount of impairment in the value of investments		-		-
Current Investments				
Aggregate amount of quoted investments and market value thereof		37.37		50.97
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, 2021	As at March 31, 2020
Non-current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	84.84	81.89
Less: Allowance for expected credit loss (Refer Note No. 28A (i))	(11.87)	(1.61)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total non-current	72.97	80.28
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	358.48	387.89
Receivables from related parties considered good - unsecured (Refer Note No. 30.6(iii))	-	1.72
Less: Allowance for expected credit loss (Refer Note No. 28A (i))	(27.60)	(25.37)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total current	330.88	364.24

Note No. 7: Cash and Bank Balances

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash and cash equivalents		
(a) Balances with banks		
(i) In current accounts	32.60	19.12
(ii) In EEFC accounts	19.84	40.93
(b) Deposits with original maturity of less than three months	-	6.00
Total cash and cash equivalents	52.44	66.05
(ii) Other bank balances		
Balances with banks in unpaid dividend account	0.03	-
Deposits with original maturity of more than three months but less than twelve months	148.23	64.15
Balances held as margin money or security against fund and non-fund based banking arrangements	15.83	12.56
Total other bank balances	164.09	76.71

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, 2021	As at March 31, 2020
a) Current Accounts		
Axis Bank	0.01	0.05
Citibank	0.04	0.01
Citibank, Dubai	0.10	0.03
Citibank, USA	1.64	0.67
Fleet Bank, USA	-	2.00
HDFC Bank	6.61	0.41
ICICI Bank (Refer Note No. 37)	0.11	0.00
Kotak Mahindra Bank	3.40	0.01
RBL Bank	-	0.11
Standard Chartered Bank	20.39	15.50
Standard Chartered Bank, Nairobi	0.08	0.10
State Bank of India	0.22	0.23
	32.60	19.12
b) EEFC Accounts		
Citibank	4.60	14.71
Standard Chartered Bank	15.24	26.22
	19.84	40.93
c) Deposits with original maturity of less than three months		
RBL Bank	-	6.00
	-	6.00
d) Balances with banks in unpaid dividend account		
Axis Bank	0.03	-
	0.03	-
e) Deposits with original maturity of more than three months but less than twelve months		
Axis Bank	41.49	-
HDFC Bank	-	8.70
IndusInd Bank	45.00	10.00
Kotak Mahindra Bank	7.96	6.45
RBL Bank	-	36.00
Standard Chartered Bank	4.08	3.00
ICICI Bank	39.80	-
Yes Bank	9.90	-
	148.23	64.15
f) Balances held as margin money or security against fund and non-fund based banking arrangements for less than twelve months		
Axis Bank	3.37	-
Citibank	0.63	0.06
Kotak Mahindra Bank	8.94	-
Standard Chartered Bank	2.89	12.50
	15.83	12.56
g) Deposits with original maturity of more than twelve months (Refer Note 9)		
Axis Bank	0.19	-
	0.19	-
h) Balances held as margin money or security against fund and non-fund based banking arrangements for more than twelve months (Refer Note 9)		
Citibank	1.35	1.11
	1.35	1.11
i) Deposits with financial institutions (Refer Note No. 9)		
Bajaj Finance Limited	60.00	60.00
HDFC Limited	48.00	25.00
	108.00	85.00
j) Total cash and cash equivalent (a+b+c)	52.44	66.05
k) Total other bank balances with maturity more than three months but less than twelve months (d+e+f)	164.09	76.71

Note No. 8: Loans

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
At amortised cost		
Loans considered good - secured	-	-
Loans considered good - unsecured		
Security deposits	5.42	5.67
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	5.42	5.67
Less: Provision	(0.09)	(0.09)
Total non-current loans	5.33	5.58
Current		
At amortised cost		
Loans considered good - secured	-	-
Loans considered good - unsecured		
Security deposits	0.29	0.10
Loans to employees	0.17	0.97
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total current loans	0.46	1.07

Note No. 9: Other Financial Assets

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current financial assets		
Deposits with original maturity of more than twelve months		
(i) In deposit accounts	0.19	-
(ii) Balances held as margin money or security against fund and non-fund based banking arrangements	1.35	1.11
Total non-current financial assets	1.54	1.11
Current financial assets		
Deposits with financial institutions	108.00	85.00
Unbilled Revenue	-	5.72
Interest accrued but not due	1.01	0.68
Foreign exchange forward contracts	1.00	-
Total current financial assets	110.01	91.40

Note No. 10: Tax assets

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
10(a) Current Tax Asset (net)		
Advance Income Tax (net)	62.61	47.80
	62.61	47.80
10(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)	3.50	21.98
Lease liabilities	7.65	9.74
Unabsorbed depreciation and allowances under section 35(2AB)	7.05	17.42
MAT credit	44.14	-
Total deferred tax assets	62.34	49.14
Right-of-use assets	5.62	7.44
Net deferred tax assets	56.72	41.70

Movements in deferred tax assets

Particulars	Difference between tax base and carrying amounts of asset and liabilities (including expenses deductible upon payment)	Lease liabilities (net of right of use assets)	Unabsorbed depreciation and allowances under section 35(2AB)	MAT credit	Total
As at April 01, 2019	10.98	-	127.02	-	138.00
(Charged)/Credited					
- to statement of profit and loss	11.00	0.05	(109.60)	-	(98.55)
- to retained earnings	-	2.25	-	-	2.25
As at March 31, 2020	21.98	2.30	17.42	-	41.70
(Charged)/Credited					
- to statement of profit and loss	(18.48)	(0.27)	(10.37)	44.14	15.02
As at March 31, 2021	3.50	2.03	7.05	44.14	56.72

Note: During the year, the Company has recognised the deferred tax asset on MAT credit amounting to ₹ 44.14 crore (March 31, 2020 : Nil) based on Management's estimate of future taxable profits.

Note No. 11: Other assets

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Other non-current assets		
Pre-paid gratuity contributions (asset) (Refer Note No -23)	0.11	-
Prepaid Expenses	0.20	0.14
Capital Advances	0.09	0.02
Balances with government authorities (other than income taxes)	6.58	6.81
Total other non-current assets	6.98	6.97
Other current assets		
Advances to suppliers	38.90	18.16
Advances others	0.02	0.02
Balances with government authorities (other than income taxes)	11.93	18.35
Prepaid expenses	2.24	0.93
Advances to employees	0.37	-
Total other current assets	53.46	37.46

Note No. 12: Inventories

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material - components including assemblies and sub-assemblies [including goods in transit ₹ 0.37 (March 31, 2020: ₹ 0.73)]	213.65	251.99
Total inventories*	213.65	251.99

*Net of provision for inventories amounting to ₹ 10.44 (March 31, 2020 ₹ 9.62).

Note No. 13: Equity Share Capital

in ₹ crore, except share data

Particulars	Number of Shares	Equity Share Capital
a) Authorised Capital		
Equity Share Capital of ₹ 10/- each		
As at April 01, 2019	17,64,52,000	176.45
Changes in equity share capital during the year		
Increase during the year	-	-
As at March 31, 2020	17,64,52,000	176.45
Changes in equity share capital during the year		
Increase during the year	-	-
As at March 31, 2021	17,64,52,000	176.45
b) Issued, Subscribed and Paid up Capital		
Equity Share Capital of ₹ 10/- each		
Fully paid shares		
As at April 1, 2019	9,17,19,579	91.72
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. 31 (v))	4,91,256	0.49
As at March 31, 2020	9,22,10,835	92.21
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan and restricted stock unit plan (Refer Note No. 31 (v))	10,29,509	1.03
As at March 31, 2021	9,32,40,344	93.24
c) Forfeited shares (to the extent of amount paid up)*		
As at April 1, 2019	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2020	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2021	3,27,27,930	3.27

Particulars	As at March 31, 2021	As at March 31, 2020
Total Equity Share Capital (b+c)	96.51	95.48

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

Particulars	As at March 31, 2021	As at March 31, 2020
Cascade Capital Management, Mauritius		
Number of shares held	1,65,13,184	1,65,13,184
% holding in that class of shares	17.71%	17.91%
Samena Spectrum Co.		
Number of shares held	94,41,649	94,41,649
% holding in that class of shares	10.13%	10.24%
Nippon Life India Trustee Ltd.-A/C Nippon India Small Cap Fund		
Number of shares held	57,63,697	80,26,928
% holding in that class of shares	6.18%	8.70%
Consilium Extended Opportunities Fund L.P.		
Number of shares held	53,59,887	36,86,893
% holding in that class of shares	5.75%	4.00%
East Bridge Capital Master Fund I Ltd		
Number of shares held	47,93,508	47,93,508
% holding in that class of shares	5.14%	5.20%

HDFC Trustee Company Ltd. A/C HDFC Capital Builder Value Fund		
Number of shares held	-	71,06,628
% holding in that class of shares	-	7.71%
Mayfield XII, Mauritius		
Number of shares held	-	47,93,508
% holding in that class of shares	-	5.20%

c) 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.

d) Shares reserved for issuance towards outstanding employee stock options, RSU granted and available for grant (Refer Note No. 31):

in Nos

Particulars	As at	
	March 31, 2021	March 31, 2020
Equity shares of ₹ 10/- each		
ESOP Schemes	44,93,791	53,77,868
Outstanding at the end of the year	44,93,791	53,77,868
Options available for grant	-	-
RSU	22,41,651	27,33,161
Outstanding at the end of the year	12,13,491	16,84,501
Units available for grant	10,28,160	10,48,660

Note No. 14: Other Equity

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Securities premium	951.27	937.80
Retained earnings	52.06	12.56
Employee stock compensation outstanding account	33.12	33.92
Total Other Equity	1,036.45	984.28

(i) Securities premium

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening Balance	937.80	931.17
Premium received upon exercise of ESOP	4.67	2.33
Reclassification upon exercise of ESOP/RSU	8.80	4.30
Closing Balance	951.27	937.80

(ii) Retained earnings

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening Balance	12.56	265.56
(Loss)/Profit for the year	37.29	(236.16)
Items of other comprehensive income recognized directly in retained earnings		
Remeasurements of the post employment benefit obligation	2.21	(1.07)
Impact on account of adoption of Ind AS 116	-	(4.69)
Dividend (including Tax on dividend) (Refer Note No. 38)	-	(11.08)
Closing Balance	52.06	12.56

(iii) Employee stock compensation outstanding account

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening Balance	33.92	27.02
Share based payment expenses	8.00	11.20
Reclassification upon exercise of ESOP/RSU	(8.80)	(4.30)
Closing Balance	33.12	33.92

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. 15: Lease Liabilities

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-Current		
Lease Liabilities	17.07	21.91
Total non-current	17.07	21.91
Current		
Lease Liabilities	4.83	5.97
Total current	4.83	5.97

Net Debt Reconciliation

Particulars	Non-Current Borrowings and Current maturities of long term debt	Lease Liabilities
Debt as on April 01, 2019	1.19	-
Additions on account of Ind AS 116	-	29.09
Acquisitions - finance leases	-	4.37

Interest expense	-	2.78
Repayment of interest and principal	(1.19)	(8.36)
Debt as on March 31, 2020	-	27.88
Interest expense	-	2.29
Repayment of interest and principal	-	(8.02)
Discount on leases	-	(0.25)
Debt as on March 31, 2021	-	21.90

Note No. 16: Provisions

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current provisions		
Other provisions		
Warranty	0.69	0.59
Total non-current provisions	0.69	0.59
Current provisions		
Provision for employee benefits		
Compensated absences*	4.70	4.19
Other provisions		
Warranty	0.52	2.89
Total current provisions	5.22	7.08

* The amount of provision of ₹ 4.70 (March 31, 2020 ₹ 4.19) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Particulars	As at	
	March 31, 2021	March 31, 2020
Leave obligation not expected to be settled within the next 12 months	3.90	3.67

Movement in Warranty

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

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening balance	3.48	4.98
Unwinding of interest on provisions	0.29	0.44
Additions/(reversals)	(1.34)	(0.24)
Utilisation	(1.22)	(1.70)
Closing balance	1.21	3.48
Disclosed as:		
Non-current	0.69	0.59
Current	0.52	2.89
	1.21	3.48

Note No. 17: Trade Payables

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Total outstanding dues of micro and small enterprises (Refer Note 30.2)	11.84	10.96
Total outstanding dues of creditors other than micro and small enterprises (Refer note below)	86.45	66.96
Total trade payables	98.29	77.92

Notes: Trade Payable includes the amounts due to Subsidiaries [Refer Note No. 30.6(iii)]

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Tejas Communication Pte Limited, Singapore	6.57	3.28
	6.57	3.28

Note No. 18: Other Financial Liabilities

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Current		
Due to employees	16.35	14.47
Capital Creditors	0.95	1.42
Accrual for expenses	28.52	23.58
Unpaid dividend	0.03	0.03
Other liabilities	0.15	0.09
Total current	46.00	39.59

Note No. 19: Other Current Liabilities

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Advances received from customers	1.25	0.29
Deferred revenue	2.07	2.60
Statutory dues	6.50	4.13
Total other current liabilities	9.82	7.02

Note No. 20: Revenue from Operations

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Revenue from contract with customers		
Sale of goods		
Manufactured goods - Optical and Data Networking products including multiplexers	466.97	329.14
Component sales	11.78	10.75
	478.75	339.89
Rendering of services		
Installation and commissioning revenue	8.32	14.44
Annual maintenance revenue *	33.63	26.99
Other service revenue	3.79	4.88
	45.74	46.31
Total revenue from operations	524.49	386.20

*Recognised over period of time.

Note No. 21: Other Income

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Interest income from banks on deposits	10.16	11.82
(Loss) on current investment carried at fair value through statement of profit and loss	(0.18)	(0.10)
Gain on sale of current investment carried at fair value through statement of profit and loss	2.81	4.08
Unwinding of discount on fair valuation of financials assets	0.07	0.12
Net gain on foreign currency transactions and translation	-	9.05
Export Incentive	1.27	5.64
Other non-operating income		
Bad debts recovered	0.02	0.20
Profit on sale of property, plant and equipment	0.01	0.02
Refund of CST	-	1.78
Interest on IT refunds	10.04	-
Miscellaneous income	0.61	1.10
Total other income	24.81	33.71

Note No. 22: Cost of Materials Consumed

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Opening stock	251.99	181.39
Add: Purchases	230.40	274.18
	482.39	455.57
Less: Closing stock	213.65	251.99
Cost of materials consumed*	268.74	203.58

*including write down of inventories.

Note No. 23: Employee Benefit Expense

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Salaries and wages, including performance incentives	154.99	144.47
Contribution to provident and pension funds [Refer Note No. 23 (i)]	6.77	6.72
Gratuity expenses	2.17	2.20
Employee share based payment expenses [Refer Note No. 31 (vii)]	8.00	11.20
Staff welfare expenses	3.28	4.55
	175.21	169.14
Less: Capitalized during the year [Refer Note No. 4(b) and Note No. 30.8 (i)]	65.64	65.92
Total employee benefit expenses	109.57	103.22

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. 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,	
	2021	2020
Provident Fund Contributions	5.96	5.87
Employee Pension Scheme	0.81	0.85
Total	6.77	6.72

(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 ₹ 4.70 (March 31, 2020 – ₹ 4.55) 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.

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

Particulars	Year Ended March 31,	
	2021	2020
Compensated absence expense/(gain) included in salaries and wages	0.81	(0.52)
Actuarial assumptions for long-term compensated absences		
Discount rate	7.07%	6.63%
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,	
	2021	2020
Actuarial assumptions for defined benefit plan		
Discount rate	7.07%	6.63%
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, 2019	15.52	(15.52)	-
Current service cost	2.13	-	2.13
Interest expense/(income)	0.99	(0.99)	-
Total amount recognised in profit or loss under employee benefit expenses	3.12	(0.99)	2.13
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	(0.04)	-	(0.04)
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	1.74	-	1.74
Actuarial (Gain)/ Losses due to experience adjustments on DBO	0.38	-	0.38
Return on Plan Assets (Greater) / Lesser than Discount rate	-	(1.01)	(1.01)
Total amount recognised in other comprehensive income	2.08	(1.01)	1.07
Employer contributions/ premiums paid	-	(3.20)	(3.20)
Benefit payments	(1.14)	1.14	-
As at March 31, 2020	19.58	(19.58)	-

in ₹ crore

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2020	19.58	(19.58)	-
Current service cost	2.17	-	2.17
Interest expense/ (income)	1.34	(1.34)	-
Total amount recognised in profit or loss under employee benefit expenses	3.51	(1.34)	2.17
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.77)	-	(0.77)
Actuarial (Gain)/ Losses due to experience adjustments on DBO	(1.03)	-	(1.03)
Return on Plan Assets (Greater) / Lesser than Discount rate	-	(0.41)	(0.41)
Total amount recognised in other comprehensive income	(1.80)	(0.41)	(2.21)
Employer contributions/ premiums paid	-	-	-
Benefit payments	(1.28)	1.21	(0.07)
As at March 31, 2021 (Refer Note No. 11)	20.01	(20.12)	(0.11)

b) Sensitivity Analysis

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

Particulars	Year Ended March 31,	
	2021	2020
Discount Rate		
Increase by 100 basis points (March 31, 2020 100 basis points)	-7.84%	-8.42%
Decrease by 100 basis points (March 31, 2020 100 basis points)	9.06%	9.78%
Salary Growth Rate		
Increase by 100 basis points (March 31, 2020 100 basis points)	8.92%	9.60%
Decrease by 100 basis points (March 31, 2020 100 basis points)	-7.85%	-8.40%
Attrition Rate		
Increase by 100 basis points (March 31, 2020 100 basis points)	-0.28%	-0.54%
Decrease by 100 basis points (March 31, 2020 100 basis points)	0.31%	0.61%
Mortality increase by 10% (March 31, 2020 10%)	-0.01%	-0.01%

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,	
	2021	2020
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, 2022 are ₹ 2.42.

The weighted average duration of the defined benefit obligation is 12.44 years (March 31, 2020: 12.91 years). The expected maturity analysis of undiscounted gratuity is as follows:

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Year 1	1.58	1.06
Year 2	1.62	1.42
Year 3	2.02	1.52
Year 4	1.13	1.90
Year 5	1.53	1.03
Year 6-10	7.67	7.30
Year 10 and above	26.58	26.65

Note No. 24A: Finance Cost

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Interest expense		
(i) Unwinding of discount on fair valuation of financial liabilities	2.57	3.33
Other finance cost	1.01	4.24
Total finance cost	3.58	7.57

Note No. 24B: Allowance for expected credit loss

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Allowance for expected credit loss (Refer Note No. 28A(i))	12.49	18.81
Total Allowance for expected credit loss	12.49	18.81

Note No. 25: Other Expenses

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Installation and commissioning expenses	5.11	3.70
Other processing charges	0.98	1.60
Power and fuel	4.56	5.07
Housekeeping and security	2.44	2.56
Lease rentals	1.84	2.02
Repairs and maintenance - machinery	0.33	0.32
Repairs and maintenance - others	1.70	1.85
Sub-contractor charges	9.46	11.92
Insurance	1.36	0.69
Rates and taxes	0.21	0.11
Communication	1.12	1.13
Royalty	0.11	0.07
Travelling and conveyance	1.73	14.11
Printing and stationery	0.14	0.32
Freight and forwarding	11.27	2.29
Sales expenses	0.10	2.46
Sales commission	10.75	3.92
Business promotion	0.41	2.53
Director sitting fees	0.12	0.14
Director commission	0.32	-
Legal and professional	8.94	8.38
Auditors remuneration and out-of-pocket expenses		
Audit Fee (including fees for limited reviews)	0.54	0.48
Tax Audit Fee	0.03	0.02
Certification	0.17	0.16
Auditors out-of-pocket expenses	0.03	0.05
Net loss on foreign currency transactions and translation	1.43	-
Bad Debts written off	-	0.07
Less: Provision for doubtful debts released	-	(0.02)
Provision for warranty	(1.34)	(0.24)
Expenditure on corporate social responsibility (Refer Note No. 34)	0.98	1.97
Reimbursement of expenses to subsidiary (Refer Note No. 30.6)	12.30	8.97
Subscription and Membership	1.44	1.15
Miscellaneous expenses	1.95	1.01
	80.53	78.81
Less: Capitalized during the year [Refer Note No. 4(b)]	-	1.39
Total other expenses	80.53	77.42

Note: Other expenses include R&D expenses under various line items [Refer Note No. 30.8 (ii)].

Note No. 26: Income Tax Expense

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
a. Current tax		
Tax on profits for the year	-	-
Total current tax expense	-	-
b. Deferred tax		
Decrease/(increase) in deferred tax assets	(15.02)	98.55
Total deferred tax (benefit)/expense	(15.02)	98.55
Total income tax (benefit)/expense	(15.02)	98.55

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

Particulars	Year Ended March 31,	
	2021	2020
Profit/(Loss) before income tax expense	22.27	(137.61)
Tax expense /(credit) determined based on the statutory tax rate [i.e.34.944% (March 31, 2020: 34.944%)]	7.78	(48.09)
Reconciling items:		
Expenses disallowed for tax purposes	2.20	0.86
Mark-to-market loss/(gain) on mutual fund investments not considered for tax purposes	0.06	0.04
Tax impact on remeasurement gains and losses recognised in OCI	0.77	(0.37)
MAT credit recognised	(44.14)	-
Adjustment for deduction u/s 35 (2AB) and recognition of deferred tax on tax losses	18.31	146.11
Income tax (benefit)/expense	(15.02)	98.55

Note No. 27: Fair Value Measurement

(i) Financial instruments by category and fair value hierarchy

in ₹ crore

	Level	March 31, 2021		March 31, 2020	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets					
Investments					
- Mutual Funds	1	37.37	-	50.97	-
- Others (Refer Note No. 37)	3	0.00	-	0.00	-
Trade receivables	3	-	403.85	-	444.52
Cash and cash equivalents		-	52.44	-	66.05
Bank balances other than cash and cash equivalents		-	164.09	-	76.71
Loans					
- Security deposits	3	-	5.62	-	5.68
- Loans to employees	3	-	0.17	-	0.97
Other financial assets					
- Deposits with original maturity of more than twelve months		-	1.54	-	1.11
- Deposits with financial institutions		-	108.00		85.00
- Unbilled Revenue	3	-	-	-	5.72
- Interest accrued but not due	3	-	1.01	-	0.68
- Foreign Exchange Forward Contracts	2	-	1.00	-	-
Total Financial Assets		37.37	737.72	50.97	686.44
Financial liabilities					
Borrowings		-	-	-	-
Trade payables	3	-	98.29	-	77.92
Other financial liabilities					
- Capital Creditors		-	0.95	-	1.42
- Due to employees		-	16.35	-	14.47
- Accrual for expenses		-	28.52	-	23.58
- Unpaid dividend		-	0.03	-	0.03
- Other liabilities		-	0.15	-	0.06
Total Financial liabilities		-	144.29	-	117.48

Level 1: Includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels during the year.

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

(ii) Valuation Technique

- The fair values of security deposits and non-current trade receivables were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

- Investment in mutual funds are valued using closing NAV of the fund.

- Foreign currency forwards are valued based on the forward exchange rates provided by the bank as at the balance sheet date.

(iii) Valuation Process

The finance department of the 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.

(iv) 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. 28: 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) Expected credit loss for trade receivables under simplified approach

in ₹ crore

Loss allowance as on April 01, 2019	(8.19)
Changes in loss allowance	(18.79)
Loss allowance as on April 01, 2020	(26.98)
Changes in loss allowance	(12.49)
Loss allowance as on March 31, 2021 (Refer Note No. 6)	(39.47)

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 and deposits with banks and inter-corporate deposits placed with financial institutions. 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 security deposits and other financial assets to be immaterial.

As at March 31, 2021 the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to ₹ 91.19 crore (net of provision) from public sector customers (including from BSNL for Bharatnet project). Management has taken the necessary steps to expedite collections from the concerned customers. Having regard to the good past history of collections from such customers, Management believes that the aforesaid net receivables as at March 31, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.

(ii) 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, 2021	March 31, 2020
Increase in credit loss rate by 10%	(1.03)	(1.55)
Decrease in credit loss rate by 10%	1.03	1.55

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, 2021	March 31, 2020
Cash and cash equivalents	52.44	66.05
Other bank balances - deposits with maturity more than 3 months but less than 12 months and margin money	164.09	76.71
Deposits with financial institutions	108.00	85.00
Current investments - mutual funds	37.37	50.97
	361.90	278.73
Less: Balances held as margin money or security against fund and non-fund based banking arrangements	15.83	12.56
	346.07	266.17

(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, 2021	March 31, 2020
Rupee		
Fund/ Non Fund based	165.14	259.30
USD (in rupee terms)		
Fund based	-	-

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

(iii) Maturities of financial liabilities

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

in ₹ crore

Contractual maturities of financial liabilities March 31, 2021	Less than 6 months	6months to 1 year	Between 1 and 2 years	More than 2 years	Total
Non-Derivatives					
Trade payables	98.29	-	-	-	98.29
Due to employees	16.35	-	-	-	16.35
Capital Creditors	0.95	-	-	-	0.95
Accrual for expenses	28.52	-	-	-	28.52
Lease Liabilities	3.25	3.39	7.07	14.05	27.76
Unpaid Dividend	0.03	-	-	-	0.03
Other liabilities	0.15	-	-	-	0.15
	147.54	3.39	7.07	14.05	172.05

in ₹ crore

Contractual maturities of financial liabilities March 31, 2020	Less than 6 months	6months to 1 year	Between 1 and 2 years	More than 2 years	Total
Non-Derivatives					
Trade payables	77.92	-	-	-	77.92
Due to employees	14.47	-	-	-	14.47
Capital Creditors	1.42	-	-	-	1.42
Accrual for expenses	23.58	-	-	-	23.58
Lease Liabilities	4.20	4.06	6.64	21.12	36.02
Unpaid Dividend	0.03	-	-	-	0.03
Other liabilities	0.09	-	-	-	0.09
	121.71	4.06	6.64	21.12	153.53

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 at the end of the reporting period expressed in Rupees crore are as follows:

in ₹ crore

Particulars	March 31, 2021		March 31, 2020	
	USD	MYR*	USD	MYR*
Assets				
Trade receivables	72.31	53.43	112.81	4.54
Balance in EEFC account	19.84	-	40.93	-
Balance with banks outside India	1.64	-	2.00	-
Net exposure to foreign currency risk (assets)	93.79	53.43	155.74	4.54
Liabilities				
Trade payables	40.45	0.15	31.88	0.13
Net exposure to foreign currency risk (liabilities)	40.45	0.15	31.88	0.13
Net exposure to foreign currency risk	53,34	53.28	123.86	4.41

* 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, 2021	March 31, 2020
USD Sensitivity		
INR/USD - Increase by 5% (March 31, 2020 10%)*	(2.20)	(11.36)
INR/USD - Decrease by 5% (March 31, 2020 10%)*	2.20	11.36
MYR Sensitivity		
INR/MYR - Increase by 5% (March 31, 2020 10%)*	(2.20)	(0.36)
INR/MYR - Decrease by 5% (March 31, 2020 10%)*	2.20	0.36

* Holding all other variables constant.

Note No. 29: 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, 2021	March 31, 2020
Net Debt*	(341.54)	(251.96)
Equity	1,132.96	1,079.76
Debt equity ratio	-	-

*Net Debt represents the balance of borrowing (including lease liabilities) reduced by cash and cash equivalent, other bank balances including deposits more than 12 months, deposits with financial institutions and investment in liquid mutual funds. The Company has no 'net debt' as at March 31, 2021

Note No. 30: Additional Information to Financial Statements

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
30.1 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 and 2 below)	46.65	43.63
Disputed Income Tax Demands * (Refer Note 3 and 4 below)	7.56	73.93
Disputed CST and VAT Demand *	15.67	1.77
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	1.29	1.88

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

Note 1: On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during financial years from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the financial year 2010-11 with associated demand of ₹ 11.87 and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of ₹ 24.88 i.e. a total demand of ₹ 36.75. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT.

According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties.

The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to ₹ 42.92 (which includes the demand of ₹ 36.75 by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to ₹ 0.90. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to ₹ 43.82.

The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the

Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matter and accordingly, no provision has been made in these financial statements.

Note 2: Further, the Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of financial years 2010-11 to 2013-14 on a similar matter amounting to ₹ 3.01 which are not part of the orders discussed above and for which the company had provided its response. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matter and accordingly, no provision has been made in these financial statements.

Note 3: During FY 2019-20, the Company received notices of demand from the Department for additional tax payable amounting to ₹ 25.62 crore for AY 2017-18 (after adjusting the carried forward losses from earlier years) under Section 156 of the IT Act after making additions of various items to taxable income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company had also received a demand order for AY 2018-19 for additional tax payable amounting to ₹ 0.48 crore. Following the Company's application for rectification of apparent computation errors in the aforesaid demand notices, during the quarter ended September 30, 2020 the Company received rectification orders u/s 154 of the IT Act for AY 2012-13 to AY 2018-19 under which the Company now has a cumulative net refund position for AY 2017-18 and AY 2018-19, after corrections were made by the Assessing Officer to the amounts of carry forward losses and TDS in respect of earlier assessment years. The Company has also challenged the orders passed by the Assessing Officer (AO) by filing an appeal with the Commissioner of Income Tax (Appeals) against additions of various items to taxable income for the relevant earlier assessment years. The Company is of the view that the outcome of these proceedings/ notices/ summons will not have any material adverse impact on the Company's financial statements.

Note 4: In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act for AY 2012-13 to 2018-19. The Company and its officials fully co-operated with the Department. During FY 2018-19, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during FY 2019-20 and in the current financial year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. The Company is of the view that the outcome of these summons/notices will not have any material impact on the Company's financial statements.

Note 5: The Company and its overseas subsidiary has filed a claim against a vendor for recovery of outstanding amount (net), which comprises amount payable by the Company and amount receivable by the Company's overseas subsidiary. The Company has also received a counter claim from the said vendor. Based on management assessment, the counter claim is not tenable as it is not backed by reliable supporting documentation. There has been no business with this vendor for more than 3 years. During the current year, the Company and its overseas subsidiary have entered into a settlement with the vendor pursuant to which the vendor has agreed to a settlement amount, which is to be received by the Company over a period of 2 years. The Company does not expect any additional charge in the statement of profit and loss on account of this settlement.

30.2 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, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end[1]	11.84	10.96
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

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

30.3 Segment Information

(i) The Company's business activity primarily falls within a single business segment based on the nature of activity involved and business risks having regard to the internal organisation and management structure. The Chief Operating Decision Maker (CODM) reviews the 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, 2021	March 31, 2020
I. Revenues*		
India	321.64	264.08
International#	202.85	122.12
	524.49	386.20

* Determined based on location of customers

International includes Africa and South East Asia regions (March 31, 2020: Africa and Americas regions) which individually contribute to more than 10% of the total revenues.

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
II Total Carrying amount of non current assets, by geographical location		
India	135.50	105.64
International	-	-

* Includes an amount of ₹16.09 (March 31, 2020: 21.29) being Right of use assets pursuant to adoption of Ind AS 116.

Revenues of approximately ₹ 193.86 are derived from three external customers (March 31, 2020: ₹ 109.53 from one external customer) each exceeding 10% of the total revenue.

30.4 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. 20).

in ₹ crore

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
India-PSU	85.85	58.10
India-Private	235.79	205.98
International	202.85	122.12
	524.49	386.20

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

in ₹ crore

Particulars	Deferred Revenue	Advances received from customers
Balance as on April 1, 2019	3.02	0.48
Less: Revenue accrued during the year	17.81	0.31
Add: Invoicing in excess of earned revenue during the year	17.39	0.12
Balance as on March 31, 2020	**2.60**	**0.29**
Less: Revenue accrued during the year	10.35	0.14
Add: Invoicing in excess of earned revenue during the year	9.82	1.10
Balance as on March 31, 2021	2.07	1.25

(iii) Performance obligations and remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, is approximately ₹679.4. Out of this, the Company expects to recognize revenue of around 51.3% 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

Particulars	Year Ended March 31,	
	2021	2020
Contract Price	524.49	386.53
Less adjustments for:		
Variable consideration	-	0.33
Revenue from operations	524.49	386.20

30.5 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, 2021	March 31, 2020
Right of use Assets		
Buildings	16.10	21.29
Total	16.10	21.29

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities		
Current	4.83	5.97
Non-Current	17.07	21.91
Total	21.90	27.88

Additions to right-of-use assets during the current financial year is Nil (March 31, 2020: ₹ 3.87).

(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,	
		2021	2020
Depreciation charge of Right of use Assets			
Buildings	4(c)	5.19	5.23
Total		5.19	5.23
Other costs			
Interest expense (included in finance costs)	24A	2.29	2.78
Expenses relating to short term leases (included in other expenses)*	25	1.84	2.02
Total		4.13	4.80

*includes maintenance expenses

The total cash outflow for leases for the year ended March 31, 2021 is ₹ 9.86 (March 31, 2020: ₹ 10.38).

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.

30.6 Related party transactions

(i) Details of related parties:

Description of relationship	
Subsidiaries	Tejas Communication Pte Limited, Singapore ('Tejas Singapore')
Step-down subsidiary	Tejas Communications (Nigeria) Limited
Entity where a Director is interested with whom the Company had transaction during the year	Clonect Solutions Private Limited ('Clonect') Darwinbox Digital Solutions Private Limited ('Darwinbox') Cloudsek Information Security Private Limited ('Cloudsek') Deshpande Foundation Akshaya Patra Foundation ICT Academy
Post-employment benefit plan for the benefit of employees	Tejas Networks Limited Employees Group Gratuity Fund Trust
Key Management Personnel	
Executive Directors	Sanjay Nayak, CEO and Managing Director Arnob Roy, Chief Operating Officer and Whole Time Director
Non - Executive Directors	
Independent Directors	Balakrishnan V Leela K Ponappa Chandrashekar Bhaskar Bhave
Non - Independent Director	Gururaj Deshpande

(ii) Details of the related party transactions during the year ended March 31, 2021:

in ₹ crore

	Year Ended March 31,	
	2021	2020
Transactions during the year		
Revenue from sale of goods		
Tejas Singapore	1.89	5.20
Revenue from rendering of services		
Tejas Singapore	1.05	1.04
Reimbursement of expenses to		
Tejas Singapore	12.30	8.97
Subscription & Membership expense		
Clonect	0.05	0.08
Legal & Professional Charges		
Darwinbox	0.07	0.07
Cloudsek	0.12	-
Expenditure on Corporate Social Responsibility		
Deshpande Foundation	0.15	0.26
Akshaya Patra Foundation	0.10	0.40
ICT Academy	0.15	0.50
Contribution to Post Employment Benefit Trust		
Tejas Networks Limited Employees Group Gratuity Fund Trust	-	3.20
Remuneration to Key Management Personnel		
Executive Directors		
Sanjay Nayak		
Short-term employee benefits	1.68	1.66
Post-employment benefits	0.03	0.03
Employee share-based payment	0.44	1.20
Arnob Roy		
Short-term employee benefits	1.20	1.24
Post-employment benefits	0.02	0.02
Employee share-based payment	0.33	0.91
Non - Executive Directors		
Director Sitting Fees		
Balakrishnan V	0.04	0.04
Leela K Ponappa	0.04	0.05
Chandrashekar Bhaskar Bhave	0.04	0.05
Director Commission*		
Balakrishnan V	0.16	-
Leela K Ponappa	0.08	-
Chandrashekar Bhaskar Bhave	0.08	-

*The Company proposes to obtain the shareholders approval by way of a resolution to be passed at the ensuing annual general meeting for remuneration aggregating to ₹ 0.32 proposed to be paid to the independent directors in respect of the financial year ended March 31, 2021

(iii) Balances outstanding at the end of the year:

in ₹ crore

	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Tejas Singapore	-	1.72
Trade payables		
Tejas Singapore	6.57	3.28
Advance to Suppliers		
Tejas Singapore	8.69	-
Non current investments (unquoted)		
Tejas Singapore	10.87	10.87
Payable to Key Management Personnel		
Sanjay Nayak	0.34	0.38
Arnob Roy	0.29	0.33
Balakrishnan V	0.16	-
Leela K Ponappa	0.08	-
Chandrashekar Bhaskar Bhave	0.08	-

Note:

All transactions with related parties were made on normal commercial terms and conditions. All outstanding balances are unsecured and are repayable in cash.

30.7: Earnings/(Loss) per share

in ₹ crore except for share data or as otherwise stated

Particulars	Year Ended March 31,	
	2021	2020
Basic		
Net profit/(loss) for the year attributable to the equity share holders	37.29	(236.16)
Weighted average number of equity shares	9,25,53,796	9,20,38,454
Par value per share (₹)	10	10
Earnings/(loss) per share - Basic (₹)	4.03	(25.66)
Diluted		
Net profit/(loss) for the year attributable to the equity share holders	37.29	(236.16)
Weighted average number of equity shares for Basic EPS	9,25,53,796	9,20,38,454
Add: Bonus element on Share Options and RSUs issued to employees*	15,74,477	-
Weighted average number of equity shares - for diluted EPS	9,41,28,273	9,20,38,454
Par value per share (₹)	10	10
Earnings/(loss) per share - diluted (₹)	3.96	(25.66)

* The bonus element on Share Options and RSUs issued to employees are anti-dilutive for the previous year ended March 31, 2020 and has hence been ignored.

30.8: Product Development Cost

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

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Amount transferred to Product Development	68.14	44.60
Additions to Intangible assets under development	65.64	67.31
Impairment loss which pertains to additions	-	36.15

(ii) The Company's R&D centers in Bangalore, Mumbai and Gurgaon are recognised by the Department of Scientific and Industrial Research (DSIR) as In-House R&D units. Details of Capital and Revenue expenditure incurred towards Research and Development in these R&D units as claimable under section 35 of Income Tax Act of 1961 for the year ended March 31, 2021.

in ₹ crore

Particulars	Amount
Eligible capital expenditure	77.87
Eligible revenue expenditure	32.71
Total	**110.58**

Eligible capital expenditure includes R&D manpower salaries/ wages towards product development amounting to ₹ 65.64.

Note No. 31: 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. ESOP Plan 2014 was subsequently modified pursuant to the Shareholders' resolutions dated March 28, 2016 and November 19, 2016. Pursuant to ESOP Plan 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014, shall not exceed 71,01,767 Equity Shares.

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

(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. ESOP Plan 2014-A was subsequently modified pursuant to the Shareholders resolution dated November 19, 2016. Further modified by resolution passed by board dated October 21, 2020. Pursuant to ESOP Plan 2014-A, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014-A). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014-A, shall not exceed 20,00,000 Equity Shares.

The options granted under the plan have a graded vesting over a period of four years, which are exercisable within eight years from the date of vesting. Options granted under the plan are equity settled. (Refer Note v(d) 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. ESOP Plan 2016 was subsequently amended pursuant to the Shareholders resolution dated November 19, 2016. Further modified by resolution passed by board dated October 21, 2020. Pursuant to ESOP Plan 2016, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2016). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2016, shall not exceed 50,00,000 Equity Shares.

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

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, 2020 and 2021.

(v) Summary of options under various plans:

Particulars	March 31, 2021		March 31, 2020	
	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	21,24,436	65	24,40,069
Granted during the year	-	-	-	-
Exercised during the year*	65	4,82,609	65	2,83,583
Forfeited during the year	65	11,877	65	32,050
Outstanding at the end of the year	65	16,29,950	65	21,24,436
Exercisable at the end of the year	65	16,29,950	65	21,24,078
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		10.96 years		11.94 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 - ₹ 103.88)

Particulars	March 31, 2021		March 31, 2020	
	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	13,79,749	85	14,76,427
Granted during the year	-	-	-	-
Exercised during the year*	85	94,872	85	37,645
Forfeited during the year	85	14,745	85	59,033
Outstanding at the end of the year	85	12,70,132	85	13,79,749
Exercisable at the end of the year	85	12,70,132	85	13,63,861
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		5.52 years		2.53 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 - ₹ 103.88)

Particulars	March 31, 2021		March 31, 2020	
	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	18,73,683	85 -110	20,24,545
Granted during the year	-	-	-	-
Exercised during the year*	85 -110	1,69,856	85 -110	63,363
Forfeited during the year	85 -110	1,10,118	85 -110	87,499
Outstanding at the end of the year	85 -110	15,93,709	85 -110	18,73,683
Exercisable at the end of the year	85 -110	15,86,355	85 -110	15,48,012
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		5.93 years		2.96 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 - ₹ 103.88)

(d) (i) Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved extension of exercise period of the Employee Stock Option Plan 2014-A and Employee Stock Option Plan 2016 in respect of employees who have not exercised the Stock Options that had vested as per the plan in vogue by another 4 years.
(ii) The incremental fair value of the options which were modified amounted to ₹ 2.21 crore, which has been recognized in the Statement of Profit and Loss.
(iii)The fair value has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	ESOP Plan 2014-A	ESOP Plan 2016
Share price on the date of Modification	84.65	84.65
Exercise price	85.00	85 & 110
Risk Free Interest Rate	5.91%	5.91%
Expected Life	5-12 Years	5-12 Years
Exercise period from the date of vesting	8 years	8 years
Expected Annual Volatility of Shares	60.9%	60.9%
Expected Dividend Yield	1.18%	1.18%

Particulars	March 31, 2021		March 31, 2020	
	Weighted average exercise price (INR)	Number of stock units	Weighted average exercise price (INR)	Number of stock units
(e) RSU Plan 2017				
Outstanding at the beginning of the year	10	16,84,501	10	10,20,923
Granted during the year	10	20,500	10	9,08,000
Exercised during the year*	10	2,82,172	10	1,06,665
Forfeited during the year	10	2,09,338	10	1,37,757
Outstanding at the end of the year	10	12,13,491	10	16,84,501
Exercisable at the end of the year	10	4,68,258	10	1,93,663
RSU available for grant#	10	10,28,160	10	10,48,660
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		4.01 years		4.73 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 - ₹ 103.88)
# Excludes 3,65,385 RSUs lapsed as on March 31,2021 (March 31, 2020 - 1,56,047) which can be re-issued and will form part of RSU pool to be granted.

(vi) Fair value of RSUs

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

Assumptions	March 31, 2021	March 31, 2020
RSU Plan 2017		
Weighted Average share price on the date of grant	94.55	118.32
Exercise price	10.00	10.00
Risk Free Interest Rate	5.86% to 5.96%	6.44% to 7.47%
Expected Life	5-8 Years	5-8 Years
Exercise period from the date of vesting	4 years	4 years
Expected Annual Volatility of Shares	60% to 61%	53% to 59%
Expected Dividend Yield	0.70% to 1.79%	0.53% to 1.29%

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

in ₹ crore

	March 31, 2021	March 31, 2020
Equity-settled share-based payments (Refer Note No. 23)	8.00	11.20

Note No. 32: Assets pledged as security against fund and non-fund based banking arrangements

in ₹ crore

Particulars	Note	As at March 31, 2021	As at March 31, 2020
(i) Financial Assets			
Trade Receivables	6	330.88	364.24
Loans	8	0.46	1.07
Other financial assets	9	1.54	1.11
Other financial assets excluding deposits with financial institutions	9	2.01	6.40
Total financial assets		334.89	372.82
(ii) Non- Financial Assets			
Other current assets	11	53.46	37.46
Inventories	12	213.65	251.99
Total non- financial assets		267.11	289.45
(iii) Total current assets pledged as security		602.00	662.27
(iv) Non-current assets			
Property, plant and equipment	4(a)	29.48	30.55
Trade Receivables		72.97	80.28
Total Non-current assets pledged as security		102.45	110.83
(v) Total assets pledged as security		704.45	773.10

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 availed as at March 31, 2021 aggregates to ₹103.35 (March 31, 2020: ₹ 162.20).

Note No. 33: Statement of Function wise Profit and Loss (for additional information only)

in ₹ crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue		
Product sales	466.97	329.14
Component sales	11.78	10.75
Services	45.74	46.31
Net Revenue (A)	524.49	386.20
Cost of materials consumed (Refer Note i below)	269.83	203.86
Manufacturing Expenses	14.07	14.74
Service Expenses	30.57	36.70
Total Cost of Goods Sold (B)	314.47	255.30
Gross Profit (C) = (A) - (B)	210.02	130.90
Operating Expenses:		
Research & Development (Gross)	106.05	109.40
Less: R&D Capitalized	(65.64)	(67.31)
Research & Development (Net)	40.41	42.09
Selling, Distribution & Marketing	92.38	82.46
General & Administrative	22.64	23.18
Operating Expenses (Net) (D)	155.43	147.73
Profit/(loss) from operations (EBITDA) (E) = (C) - (D)	54.59	(16.83)
Other Income (Refer Note ii below)	24.81	24.66
Foreign exchange loss/(gain) (Refer Note iii below)	1.43	(9.05)
Finance costs	3.58	7.57
Depreciation and amortization	52.12	77.05
Impairment of non-current assets	-	69.87
Profit/(loss) before tax	22.27	(137.61)
Tax expense:		
Current tax	-	-
Deferred tax expense/(benefit)	(15.02)	98.55
Profit/(loss) after tax	37.29	(236.16)
Other Comprehensive income/(loss)	2.21	(1.07)
Total comprehensive income/(loss) for the year	39.50	(237.23)
Earning/(loss) per share (Par Value ₹ 10 each)		
(a) Basic	4.03	(25.66)
(b) Diluted	3.96	(25.66)
Weighted average Basic Equity share outstanding	9,25,53,796	9,20,38,454
Weighted average Diluted Potential Equity share outstanding	9,41,28,273	9,20,38,454

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,	
	2021	2020
Cost of material consumed as per Schedule III (Refer Note No. 22)	268.74	203.58
Add: Considered separately under other expenses as per Schedule III (Refer Note No. 25)		
Other Processing Charges	0.98	1.60
Royalty	0.11	0.07
Less: Other processing charges considered under R&D	-	1.39
Total Cost of material consumed as per function wise profit and loss	269.83	203.86

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,	
	2021	2020
Other income as per Schedule III (Refer Note No. 21)	24.81	33.71
Less: Net gain on foreign exchange considered separately in functional wise profit and losses (Refer Note iii below)	-	(9.05)
Other income as per function wise profit and loss	24.81	24.66

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

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Net loss/(gain) on foreign currency transactions and translation others (other than considered as finance cost) (Refer Note No. 21, Note No. 25 and Note ii above)	1.43	(9.05)
Foreign exchange loss/(gain) as per function wise profit and loss	1.43	(9.05)

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

(a) Gross amount required to be spent by the Company during the year ₹ 0.98 (previous year ₹ 1.97).

(b) Amount unspent during the year:

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
-	-	0.98	0.98	-

(c) Amount spent during the year: ₹ 0.98 (included under expenditure on corporate social responsibility note no. 25)

in ₹ crore

Particulars	Incurred	Yet to be incurred	Total
1. Construction / acquisition of any asset	(-)	(-)	(-)
2. On purposes other than (1) above	0.98	-	0.98
Previous year figures are in brackets	(1.97)	(-)	(1.97)

Particulars	Nature of Service	Year Ended March 31,	
		2021	2020
Akshaya Patra Foundation, Bengaluru	NGO run school meal programme facilitating education of underprivileged children in India	0.10	0.40
International Institute of Information Technology (IIIT), Bengaluru	A vision to contribute to the IT world by focusing on education and research, entrepreneurship and innovation education, research offering training oriented towards producing highly qualified practitioners and researchers.	0.25	0.25
Sri Aurobindo Society, Puducherry	Project Inclusion aims to bring children with hidden disability who are unable to cope-up with the World around by giving them equal and quality education and aims to bring such children in forefront and makes Inclusive education a reality	0.20	0.40
ICT Academy Of Tamilnadu	Developing the next generation teachers and industry ready students aligned to the Skill India Vision of the Government of India	0.15	0.50
Selco Foundation	Improving the education in rural schools by programs powered by renewable energy by providing solar powered digital education to rural schools	-	0.05

Deshpande Foundation	Supports innovation for scalable impact for a sustainable, scalable social and economic impact through innovation and entrepreneurship	0.15	0.26
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.	0.13	-
Chief Minister Relief Fund-Covid19	A support fund established by State Government to fight the pandemic disease Covid-19	-	0.11
Total qualifying expenditure on corporate social responsibility		0.98	1.97

Note No. 35: 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, 2021	March 31, 2020
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%

Note No. 36: Details of investments given as per Section 186 of the Companies Act, 2013

in ₹ crore

Details of investments (gross)	Relationship	Purpose	March 31, 2021	March 31, 2020
Deposits with financial institutions				
Bajaj Finance	None	Investments in Term Deposits	60.00	60.00
HDFC Limited	None	Investments in Term Deposits	48.00	25.00
			108.00	85.00

Note No. 37: Details of amounts rounded off

in ₹

Particulars	As at	
	March 31, 2021	March 31, 2020
1. Property, plant and equipment [Refer Note No. 4(a)]		
a) Deletions		
Computing Equipment	-	47,900/-
b) Accumulated depreciation on deletions		
Electrical Installation	-	20,414/-
Computing Equipment	-	23,857/-
2. Investment in ELCIA ESDM Cluster (Refer Note No. 5)	11,000/-	11,000/-
3. ICICI Bank (Refer Note No. 7)	-	39,983/-
4. Effects of exchange rate changes on the balance of cash held in foreign currencies	4,616/-	-

Note No. 38: Dividend

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 2021, the Board has reviewed and decided not to recommend any dividend.

Note No. 39: Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, uncertainties caused by the pandemic has resulted in some delays in customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilises.

The Company does not have borrowings as at year end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic. Assessing the impact assessment of COVID-19 is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

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

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

Mohan Danivas S A
Partner
Membership no: 209136

Place: Bengaluru
Date: April 21, 2021

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

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

Venkatesh Gadiyar
Chief Financial Officer

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

Consolidated Financial Statements

Independent Auditors' 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 subsidiary and a step-down subsidiary (the Holding Company, its subsidiary and a step-down subsidiary together referred to as "the Group") (refer Note 2.2 and 30.9 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (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, 2021, of consolidated total comprehensive income (comprising of consolidated profit and other comprehensive income), consolidated changes in equity and 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 other than the unaudited financial information as certified by the management and referred to in paragraph 17 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to the following:

   a. Note 39 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

   b. Note 28(A)(i) to the consolidated financial statements regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to ₹ 91.19 crore (net of provision) included in Note 6 'Trade Receivables' as at year end. The Company's Management believes that the aforesaid receivables are good and fully recoverable and that no additional allowances for credit losses are necessary in respect of these balances as at March 31, 2021.

Key Audit Matters

5. 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
Appropriateness of contingent liability disclosed in respect of an Indirect tax matter (Refer note 30.1 to the consolidated financial statements) The Company, in earlier years, had received Orders from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) and Commissioner of Central Excise with respect to applicability of excise duty on software used as part of the multiplexer products during the financial years from 2002-03 to 2009-10 and inclusion of the value of the software for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. During the year 2019-20, the Adjudicating Authority determined the liability of the company in this matter at ₹ 42.92 crore, representing the differential duty and penalty. The Company filed appeals with the Supreme Court and CESTAT against the above Orders/demand. Further, the Company has received show cause notices in respect of this matter amounting to ₹ 3.01 crore for the financial years 2010-11 to 2013-14 to which it has responded. Significant management judgement is required in assessing the appropriateness of the amount of contingent liability to be disclosed and in assessing the likelihood of ultimate outcome of the dispute which is supported by an opinion obtained from the Company's external legal counsel, and is accordingly, determined as a key audit matter.

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 identifying tax exposures, their accounting and disclosures.
- Reading correspondence from the concerned tax authorities.
- Circularising letter to the external legal counsel of the Company for obtaining the status of litigations.
- Evaluating the objectivity, competence and capabilities of such external legal counsel.
- Reading the opinion of the external legal counsel provided by the management in respect of the applicability of excise duty on software used as part of the multiplexer products.
- Involving auditor's tax experts to assess management's positions for significant tax exposures in light of the dynamic tax environment and existing jurisprudence, to assess the key judgements made by the Company.
- Assessing the appropriateness of the disclosures relating to the aforesaid matter.

Based on the above procedures performed, we found the judgements made by the Management in considering this matter as contingent liability and disclosure thereof to be reasonable.

Description

Assessment of the carrying value of Intangible Assets (including intangibles under development)

Refer to notes 4(b) and 30.8 to the consolidated financial statements.

The Company undertakes development of various products, and capitalises expenditure that qualifies for recognition as intangible assets (product development). Such expenditure predominantly represents internal manpower costs incurred on such 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 assessment of the carrying values of intangible assets (including intangibles under development) is dependent on future economic benefits expected to be generated by such assets and if these are below the carrying value, there is a risk that the assets are impaired.

The Company has carried out an impairment assessment of intangible assets (including intangibles under development) and concluded that the future economic benefits expected to be generated from these assets are higher than the carrying amounts of such assets. Accordingly, no adjustment to the carrying amount of intangible assets (including intangibles under development) is considered necessary as at March 31, 2021.

We considered this a key audit matter as:

- The amounts involved were material.
- The review of carrying values of intangible assets, including intangible assets under development performed by the Company involves a number of significant judgements and estimates such as expected future economic benefits, estimated profit 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 intangibles under development).
- Testing the capital funding request forms and other documentation to ensure that the projects were appropriately approved by the Chief Operating Officer and Chief Financial Officer 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 and agreeing cost of external contractors to vendor invoices.
- Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors.
- 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.)
- Involvement of auditor's experts for 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 intangibles under development), to be reasonable.

Description

Assessment of recoverability of Deferred Tax Assets (DTA) on tax losses and tax credits with respect to Minimum Alternate Tax (MAT)

(Refer notes 2.15, 10 and 26 to the consolidated financial statements.)

The Company has recognised DTA of ₹ 7.05 crore on unabsorbed depreciation and business losses carried forward from the previous years (together referred to hereinafter as "tax losses"). Further, the Company has also recognised DTA on tax credits with respect to Minimum Alternate Tax (MAT) aggregating to ₹ 44.14 crore.

DTA has not been recognised on certain matters including weighted deduction for Expenditure on Scientific Research under Section 35(2AB) of the Income-tax Act, 1961 for earlier years which are disputed by the income tax authorities.

DTA has been recognised on the basis of Company's assessment of availability of future taxable profit to be able to utilise such tax losses and tax credits. The recoverability of the DTA depends upon factors such as the projected taxable profits of business, the period considered for such projections, the rate at which those profits will be taxed, period over which tax losses will be available for recovery and the likely outcome of disputes pending with the tax authorities.

The assessment of DTA is considered a key audit matter as the amounts involved are material to the financial statements and significant estimates and judgement are involved in assessing the amount of DTA and also in relation to preparation of forecasts of future taxable profits based on the underlying business plans.

How our audit addressed the key audit matter

Our audit procedures, which involved applying materiality and sampling techniques, included the following:

- Evaluation of the design and testing of the operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of DTA relating to unabsorbed tax losses and tax credits;
- Testing the appropriateness of the amount of DTA by tracing the tax losses and the tax credits to the income tax returns filed and assessment orders received by the Company and evaluating the judgement made by the Company on the amounts disputed by the Income Tax Authorities.
- Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment.
- Testing, whether projections prepared by the Company were consistent with our understanding and knowledge of current business and the general economic environment in which the Company operates and whether the tax losses and MAT can be utilized within the recoupment period.
- Assessing appropriateness of the assumptions used in the projections of future taxable profits.
- Reviewing the adequacy of disclosures made in the financial statements with regard to deferred taxes.

Based on the above procedures performed, our testing did not identify any significant exceptions with respect to the reasonableness of the assumptions and estimates used by the management in assessing the recoverability of DTA recognised in respect of tax losses and tax credits as at year end.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Corporate Governance Report and Shareholder information, but does not include the consolidated financial statements and our auditor's report thereon.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. 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, 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

9. 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 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.
10. 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.
11. 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

12. 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.

13. 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 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 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 and its associates and jointly controlled entities 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.

14. 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.

15. 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.

16. 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 Matters

17. We did not audit the financial information of a subsidiary and a step down subsidiary whose financial information reflect total assets of ₹ 27.07 crore and net assets of ₹ 14.96 crore as at March 31, 2021, total revenue of ₹ 5.05 crore, total comprehensive income of ₹ 0.58 crore and net cash inflows amounting to ₹ 0.56 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 a subsidiary and a step down 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 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 the financial information of subsidiaries certified by the Management.

Report on Other Legal and Regulatory Requirements

18. 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), Consolidated Statement of Changes in Equity and the

Consolidated Cash Flow Statement 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, 2021 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on March 31, 2021 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 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 30.1 to the consolidated financial statements.

ii. The group has long-term contracts as at March 31, 2021 for which there are no material foreseeable losses. The group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

19. The Company has paid/ provided for managerial remuneration to the whole-time directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Further, as stated in Note 30.6(ii) to the financial statements, the Company proposes to obtain required approval of the shareholders at the ensuing annual general meeting for remuneration aggregating to ₹ 0.32 crore proposed to be paid to the independent directors.

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

Mohan Danivas S A
Partner
Membership No: 209136
UDIN: 21209136AAAABD9403

Place: Bengaluru
Date: April 21, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Tejas Networks Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to 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, 2021, we have audited the internal financial controls with reference to financial statements of Tejas Networks Limited (hereinafter referred to as the "Company" or "Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company, 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 is a company 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, 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 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, 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, 2021, 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

Mohan Danivas S A
Partner
Membership No: 209136
UDIN: 21209136AAAABD9403

Place: Bengaluru
Date: April 21, 2021

Consolidated Balance Sheet

in ₹ crore

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	29.48	30.55
Right-of-use assets	4(a)	16.10	21.29
Intangible assets	4(b)	65.43	26.81
Intangible assets under development	4(b)	24.49	26.99
Financial assets			
(i) Investments	5(a)	0.00	0.00
(ii) Trade receivables	6	72.97	80.28
(iii) Loans	8	5.37	5.61
(iv) Other financial assets	9	1.54	1.11
Current Tax Asset (net)	10(a)	62.61	47.80
Deferred Tax Assets	10(b)	56.72	41.70
Other non-current assets	11	6.98	6.97
Total non - current assets		341.69	289.11
Current assets			
Inventories	12	213.65	251.99
Financial assets			
(i) Investments	5(b)	37.37	50.97
(ii) Trade receivables	6	341.03	375.63
(iii) Cash and cash equivalents	7(i)	53.43	66.48
(iv) Bank balances other than (iii) above	7(ii)	164.09	76.71
(v) Loans	8	0.64	1.17
(vi) Other financial assets	9	110.01	91.59
Other current assets	11	49.97	37.50
Total current assets		970.19	952.04
Total assets		1,311.88	1,241.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	96.51	95.48
Other equity	14	1,037.69	985.46
Total equity		1,134.20	1,080.94
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	15	17.07	21.91
Provisions	16	0.69	0.59
Total non - current liabilities		17.76	22.50
Current liabilities			
Financial liabilities			
(i) Lease Liabilities	15	4.83	5.97
(ii) Trade payables	17		
(a) Total outstanding dues of micro and small enterprises		11.84	10.96
(b) Total outstanding dues of creditors other than micro and small enterprises		80.38	63.81
(iii) Other financial liabilities	18	47.26	42.27
Provisions	16	5.22	7.44
Other current liabilities	19	10.39	7.26
Total current liabilities		159.92	137.71
Total liabilities		177.68	160.21
Total equity and liabilities		1,311.88	1,241.15

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

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

Mohan Danivas S A
Partner
Membership no: 209136

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

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

Place: Bengaluru
Date: April 21, 2021

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, 2021	Year Ended March 31, 2020
I	Revenue from operations	20	526.60	390.54
II	Other Income	21	24.85	33.65
III	Total income (I + II)		551.45	424.19
IV	Expenses			
	Cost of materials consumed	22	268.74	203.58
	Employee benefit expense	23	116.33	110.52
	Finance costs	24A	3.70	7.72
	Depreciation and amortization expense	4(c)	52.12	77.05
	Impairment of non-current assets	4(b)	-	69.87
	Allowance for expected credit loss	24B	14.80	20.03
	Other expenses	25	73.24	73.99
	Total expenses (IV)		528.93	562.76
V	Profit/(Loss) before tax (III - IV)		22.52	(138.57)
VI	Income tax expense	26		
	Current tax		-	-
	Deferred tax expense/(benefit)		(15.02)	98.55
	Total tax expense (VI)		(15.02)	98.55
VII	Profit/(Loss) after tax (V - VI)		37.54	(237.12)
VIII	Other comprehensive income/(loss)			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit obligation		2.21	(1.07)
	Income tax relating to above		-	-
	Items that will be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		(0.19)	0.64
	Other comprehensive income/(loss) for the year, net of tax (VIII)		2.02	(0.43)
IX	Total comprehensive income/(loss) for the year (VII + VIII)		39.56	(237.55)
X	Earnings/(Loss) per equity share (Refer Note No: 30.7)			
	Equity shares of par value ₹ 10 each			
	Basic		4.05	(25.76)
	Diluted		3.99	(25.76)
	Weighted average equity shares used in computing earnings per equity share			
	Basic		9,25,53,796	9,20,38,454
	Diluted		9,41,28,273	9,20,38,454

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

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

Mohan Danivas S A
Partner
Membership no: 209136

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

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

Place: Bengaluru
Date: April 21, 2021

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,	
		2021	2020
Cash flows from operating activities			
Profit/(Loss) before tax for the year		22.52	(138.57)
Adjustments to reconcile net profit/(loss) to net cash generated from operating activities:			
Depreciation and amortization expense	4(c)	52.12	77.05
Impairment of product development	4(b)	-	32.77
Impairment of Intangible assets under development	4(b)	-	37.10
Allowance for expected credit loss	24B	14.80	20.03
Bad Debts written off	25	-	0.07
Provision for doubtful debts released	25	-	(0.02)
Interest Income	21	(20.27)	(11.94)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	21	0.18	0.10
Gain on sale of current investment carried at fair value through statement of profit and loss	21	(2.81)	(4.08)
Finance costs	24A	3.70	7.72
Unrealised Exchange Differences (Net)		5.08	(6.38)
Loss/ (profit) on sale of property, plant and equipment	21	(0.01)	(0.02)
Expense recognized in respect of equity-settled share-based payments	23	8.00	11.20
		83.31	25.03
Movements in working capital:			
(Increase)/decrease in inventories		38.34	(70.60)
(Increase)/decrease in trade receivables		21.69	195.85
(Increase)/decrease in loans		0.83	(1.34)
(Increase)/decrease in other financial assets		4.91	4.67
(Increase)/decrease in other assets		(12.76)	(16.57)
Increase/(decrease) in trade and other payables		17.70	(88.88)
Increase/(decrease) in provisions		(0.20)	(3.37)
Increase/(decrease) in other financial liabilities		5.16	(30.98)
Increase/(decrease) in other liabilities		3.44	(2.33)
Cash generated from operations		162.42	11.48
Income taxes paid		(4.77)	(10.87)
a) Net cash generated from operating activities		157.65	0.61
Cash flows from investing activities			
Expenditure on property, plant and equipment		(14.16)	(20.63)
Expenditure on intangible assets (including under development)		(68.36)	(72.14)
Sale proceeds of property, plant and equipment		0.01	0.03
Investments in Deposits with banks		(238.43)	(156.10)
Withdrawals of Deposits from banks		150.62	184.56
Investments in Deposits with financial institutions		(144.44)	(99.07)
Withdrawals of Deposits from financial institutions		121.46	174.07
Investments in liquid mutual funds		(555.05)	(727.05)
Redemption of liquid mutual funds		571.26	766.61
Interest received		9.83	21.00
b) Net cash generated from/(used in) investing activities		(167.26)	71.28

in ₹ crore

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash flows from financing activities			
Proceeds from exercise of restricted stock units/ESOPs		5.70	2.82
Dividend paid (including Tax on dividend)		-	(11.08)
Repayment of borrowings		-	(1.19)
Principal repayment on lease liabilities		(5.73)	(5.58)
Interest payment on lease liabilities		(2.29)	(2.78)
Interest paid		(1.12)	(4.50)
c) Net cash (used in) financing activities		(3.44)	(22.31)
d) Net increase/(decrease) in cash and cash equivalents		(13.05)	49.58
Cash and cash equivalents at the beginning of the year [Refer Note No. 7(i)]		66.48	16.90
Effects of exchange rate changes on the balance of cash held in foreign currencies (Refer Note No. 37)		0.00	-
Cash and cash equivalents at the end of the year [Refer Note No. 7(i)]		53.43	66.48

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, 2021

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

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

Venkatesh Gadiyar
Chief Financial Officer

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

Consolidated Statement of Changes in Equity

A. Equity Share Capital

in ₹ crore

Particulars	Note	Amount
As at April 1, 2019*		94.99
Increase in equity share capital on account of exercise of ESOP and RSU	13	0.49
As at March 31, 2020*		95.48
Increase in equity share capital on account of exercise of ESOP and RSU		1.03
As at March 31, 2021*	13	96.51

* Includes forfeited shares of ₹ 3.27

B. Other Equity

in ₹ crore

Particulars	Note	Reserves and Surplus			Other Reserves	Total
		Securities premium	Retained earnings	Employee stock compensation outstanding account	Foreign Currency Translation Reserve	
Balance as at April 1, 2019		931.17	266.49	27.02	0.57	1,225.25
(Loss)/Profit for the year	14	-	(237.12)	-	-	(237.12)
Other comprehensive income	14	-	(1.07)	-	0.64	(0.43)
Total comprehensive income for the year		-	(238.19)	-	0.64	(237.55)
Transaction with owners in their capacity as owners:						
Premium received on exercise of ESOP	14	2.33	-	-	-	2.33
Employee share based payment expenses	23	-	-	11.20	-	11.20
Reclassification upon exercise of ESOP/RSU	14	4.30	-	(4.30)	-	-
Impact on account of adoption of Ind AS 116		-	(4.69)	-	-	(4.69)
Dividend paid		-	(9.19)	-	-	(9.19)
Dividend distribution tax		-	(1.89)	-	-	(1.89)
Balance as at March 31, 2020		937.80	12.53	33.92	1.21	985.46
Balance as at April 1, 2020		937.80	12.53	33.92	1.21	985.46
Profit for the year	14	-	37.54	-	-	37.54
Other comprehensive income	14	-	2.21	-	(0.19)	2.02
Total comprehensive income for the year		-	39.75	-	(0.19)	39.56
Transaction with owners in their capacity as owners:						
Premium received on exercise of ESOP	14	4.67	-	-	-	4.67
Employee share based payment expenses	23	-	-	8.00	-	8.00
Reclassification upon exercise of ESOP/RSU	14	8.80	-	(8.80)	-	-
Balance as at March 31, 2021		951.27	52.28	33.12	1.02	1,037.69

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, 2021

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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, 2021

1 Corporate Information

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

Tejas is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Group has branches in USA, Kenya, Mexico, UAE, Malaysia and South Africa and has a subsidiary and step down subsidiary in Singapore and Nigeria respectively. (Refer Note No. 30.9)

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

These consolidated financial statements have been approved by the Company’s Board of Directors on April 21, 2021.

2 Significant Accounting Policies

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

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- certain financial assets and liabilities 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 Company has adopted the following amendments to Ind AS standards from 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions- amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

(iv) Standard issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There are no new standards or amendments to existing standards which have been notified by the MCA and not yet been adopted by the Company.

(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 subsidiary (Refer Note No. 30.9) line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2.3 Revenue Recognition:

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

2.3.1 Sale of manufactured goods and components

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

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

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

2.3.2 Rendering of Service

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

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

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

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

2.4 Property, Plant and Equipment

2.4.1 Measurement

All items of property, plant and equipment are stated at cost less depreciation and accumulated impairment losses if any. 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
Cards/Prototypes	4 years
Servers	5 years

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

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

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

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

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

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

2.5 Intangible Assets

2.5.1 Software

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

2.5.2 Product development

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 Group has the availability of adequate technical, financial and other resources to complete, use or sell the product, in which case such expenditure is initially recorded as intangible assets under development and is subsequently capitalized when the asset is ready for its intended use. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policy stated for property, plant and equipment (Refer Note No. 2.4.2).

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

2.5.3 Amortization

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

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

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

2.6 Impairment of Non - financial assets

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

2.7 Financial instruments

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

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

2.8 Investments and Other Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortized cost.

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

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

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

2.8.2 Recognition

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

2.8.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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 Initial Recognition and Measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit or loss.

2.9.3 Subsequent Measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

2.9.4 Derecognition

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

2.10 Trade Payables

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

2.11 Derivatives

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

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

2.12 Provisions and Contingencies

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

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

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

Provision for warranty

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

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

2.13 Foreign Currency Transactions

(i) Functional and presentation currency

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

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

(ii) Transactions and translations

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

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

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

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

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

2.14 Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
- potentially issuable equity shares, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share when they are anti dilutive for the period presented.

2.15 Income taxes

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

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

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

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

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

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

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

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

2.16 Employee Benefits

(i) Short-term employee benefits

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Gratuity obligations (Defined Benefit Plan)

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

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

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

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

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

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

(iv) Defined contribution plans

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

(v) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans and Restricted Stock Units.
The Group has constituted the following plans - 'Tejas Employee Stock Option Plan 2014', 'Tejas Employee Stock Option Plan 2014 - A', 'Tejas Employees Stock Option Plan 2016' and 'Tejas Restricted Stock Unit Plan 2017' ("RSU – 2017") for the benefit of eligible employees.

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

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

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

2.17 Cash Flow Statement

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

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). [Refer Note No. 30.3]

2.19 Leases

As a lessee

Effective April 1, 2019, the Group has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Group has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

a) fixed payments

b) amount expected to be payable by the group under residual value guarantees

c) the exercise price of a purchase option if it is reasonably certain that the Group will exercise that option

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

To determine the incremental borrowing rate, the Group:

a) where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

c) makes adjustments specific to the lease, e.g. term, country, currency and security.

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

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

Right of use assets are measured at cost comprising the following:

a) the amount of the initial measurement of lease liability

b) any lease payments made at or before the commencement date,

c) any initial direct costs, and

d) restoration cost

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

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

2.20 Government grants

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

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

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

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

2.21 Inventories

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

2.22 Trade Receivables

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

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

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

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

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

2.23 Cash and cash equivalents

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

2.24 Borrowings

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

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

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

2.25 Borrowing Cost

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

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

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

2.26 Contributed Equity

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

2.27 Dividends

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

2.28 Exceptional Items

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

2.29 Rounding of amounts

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

3 Critical estimates and 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) and assessment of their carrying value - [Refer Note No. 2.4.2, Note No. 2.4.3 and Note No. 4(b)]
ii. Defined benefit obligations - Refer Note No. 23
iii. Impairment of trade receivables - Refer Note No. 28A
iv. Recognition and recoverability of deferred tax assets on tax losses - Refer Note No. 10(b)
v. Evaluation of tax litigation - Refer Note No. 30.1

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

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

in ₹ crore

Particulars	Labor atory Equipment	Networking Equipment	Electrical Installation	Furniture and Fixtures	Office Equipment	Computing Equipment	Vehicles	Cards/ Prototypes	Servers	Total	Right-of-use asset*
Gross carrying value as of April 1, 2019	20.77	0.66	6.32	8.09	0.90	6.26	0.14	22.02	2.80	67.96	-
Recognition on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	22.65
Additions	2.06	0.21	1.00	1.44	0.82	0.98	-	6.01	0.89	13.41	3.87
Deletions (Refer Note No. 37)	-	-	0.01	0.01	-	0.00	-	-	-	0.02	-
Gross carrying value as of March 31, 2020	22.83	0.87	7.31	9.52	1.72	7.24	0.14	28.03	3.69	81.35	26.52
Accumulated depreciation as of April 1, 2019	(8.81)	(0.47)	(4.91)	(4.70)	(0.51)	(3.56)	(0.01)	(13.60)	(0.71)	(37.28)	-
Depreciation for the year	(4.50)	(0.13)	(0.60)	(1.30)	(0.33)	(1.76)	(0.04)	(4.21)	(0.66)	(13.53)	(5.23)
Accumulated depreciation on deletions (Refer Note No. 37)	-	-	0.00	(0.01)	-	0.00	-	-	-	(0.01)	-
Accumulated depreciation as of March 31, 2020	(13.31)	(0.60)	(5.51)	(5.99)	(0.84)	(5.32)	(0.05)	(17.81)	(1.37)	(50.80)	(5.23)
Carrying value as of March 31, 2020	9.52	0.27	1.80	3.53	0.88	1.92	0.09	10.22	2.32	30.55	21.29
Gross carrying value as of April 1, 2020	22.83	0.87	7.31	9.52	1.72	7.24	0.14	28.03	3.69	81.35	26.52
Additions	1.68	0.28	0.03	0.11	0.22	1.96	-	8.78	0.56	13.62	-
Deletions	-	-	-	-	0.06	0.02	-	-	-	0.08	-
Gross carrying value as of March 31, 2021	24.51	1.15	7.34	9.63	1.88	9.18	0.14	36.81	4.25	94.89	26.52
Accumulated depreciation as of April 1, 2020	(13.31)	(0.60)	(5.51)	(5.99)	(0.84)	(5.32)	(0.05)	(17.81)	(1.37)	(50.80)	(5.23)
Depreciation for the year	(3.93)	(0.12)	(0.69)	(0.98)	(0.35)	(1.56)	(0.04)	(6.28)	(0.74)	(14.69)	(5.19)
Accumulated depreciation on deletions	-	-	-	-	(0.06)	(0.02)	-	-	-	(0.08)	-
Accumulated depreciation as of March 31, 2021	(17.24)	(0.72)	(6.20)	(6.97)	(1.13)	(6.86)	(0.09)	(24.09)	(2.11)	(65.41)	(10.42)
Carrying value as of March 31, 2021	7.27	0.43	1.14	2.66	0.75	2.32	0.05	12.72	2.14	29.48	16.10

* Right-of-use asset pertains to buildings. (Refer Note No. 30.5 (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, 2021, has submitted claims aggregating to ₹ 8.98 (March 31, 2020 - ₹ 8.98) which has not been adjusted to the cost of respective assets in the absence of reasonable assurance that the claim will be received.

(ii) Contractual Obligation : Refer Note No. 30.1(b) for contractual commitments for the acquisition of property, plant and equipment.

(iii) Refer Note No. 32 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	Computer Software	Product Development	Total	Intangible Assets under development[1]
Gross carrying value as of April 1, 2019	14.39	199.53	213.92	41.38
Additions	4.83	44.60	49.43	67.31
Deletions/Transfers	-	-	-	44.60
Gross carrying value as of March 31, 2020	19.22	244.13	263.35	64.09
Accumulated amortization and impairment as of March 31, 2020	(11.25)	(134.23)	(145.48)	-
Amortization expenses for the year	(6.69)	(51.60)	(58.29)	-
Impairment loss[2]	-	(32.77)	(32.77)	(37.10)
Accumulated amortization as of March 31, 2020	(17.94)	(218.60)	(236.54)	(37.10)
Carrying value as of March 31, 2020	1.28	25.53	26.81	26.99
Gross carrying value as of April 1, 2020	19.22	244.13	263.35	64.09
Additions	2.72	68.14	70.86	65.64
Transfers	-	-	-	68.14
Deletions	-	32.77	32.77	37.10
Gross carrying value as of March 31, 2021	21.94	279.50	301.44	24.49
Accumulated amortization and impairment as of April 1, 2020	(17.94)	(218.60)	(236.54)	(37.10)
Amortization expenses for the year	(3.02)	(29.22)	(32.24)	-
Deletions	-	32.77	32.77	37.10
Accumulated amortization and impairment as of March 31, 2021	(20.96)	(215.05)	(236.01)	-
Carrying value as of March 31, 2021	0.98	64.45	65.43	24.49

Remaining useful life for product development ranges from 3 to 24 months (March 31, 2020: 3 to 23 months)

Notes:

[1] Additions to Intangible Assets under development pertains to capitalization of employee benefit expense and other expenses (Refer Note No. 23 and Note No. 25).

[2.] Management has carried out an impairment evaluation of its intangible assets under development as at March 31, 2021 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 8% to 14% (March 31, 2020: by 4% to 11%) 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.

The Company recognised impairment loss of ₹ 69.87 on identified product development and intangible assets under development during the year ended March 31, 2020. The Company discontinued development on certain intangible assets and consequently the development expenditure of ₹ 37.10 related to such intangible assets under development were fully impaired. Further, management identified certain products where no future economic benefits would be recoverable based on the management's estimate of the likely customer demand for such products. Consequently, related product development costs, having a carrying value of ₹ 32.77 was fully impaired during the year ended March 31, 2020.

Sensitivity Analysis

As at March 31, 2021, the net carrying amount of product development is ₹ 64.45 (March 31, 2020 – ₹ 25.53). 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 ₹ 46.33 as at March 31, 2021. If the useful life were estimated to be 3 years, the carrying amount would be ₹ 77.87 as at March 31, 2021.

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

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Depreciation on property, plant and equipment [Refer Note No. 4(a)]	14.69	13.53
Depreciation on right of use assets [Refer Note No. 4(a)]	5.19	5.23
Amortization of intangible assets [Refer Note No. 4(b)]	32.24	58.29
Total depreciation and amortization expenses	52.12	77.05

Note No. 5: Investments

in ₹ crore except for unit data or as otherwise stated

Particulars	As at March 31, 2021	As at March 31, 2020
5(a) Non-Current investments (Quoted) {FVTPL}		
Equity instruments		
Investment in ELCIA ESDM Cluster (No. of shares 1100) (Refer Note No: 37)	0.00	0.00
Total Non-Current investments	0.00	0.00

5(b) Current investments (Quoted) {FVTPL}

Investment in Mutual funds	As at March 31, 2021 Number of units	As at March 31, 2021 Amount	As at March 31, 2020 Number of units	As at March 31, 2020 Amount
Aditya Birla Sun Life Liquid Fund - Growth Direct Plan	80,801	2.68	2,39,547	7.65
Axis liquid fund Direct Growth - CFDG	23,841	5.45	84,410	18.61
ICICI Prudential Overnight Fund Direct Plan Growth	85,949	2.62	-	-
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	24,774	12.47	37,768	18.32
Tata Liquid Fund Direct Plan Growth	42,672	13.85	20,397	6.39
DSP Liquidity Fund - Direct Plan - Growth	1,031	0.30	-	-
Total Current investments		37.37		50.97
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		37.37		50.97
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, 2021	As at March 31, 2020
Non-Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	84.84	81.89
Less: Allowance for expected credit loss (Refer Note No. 28A (i))	(11.87)	(1.61)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total non current	72.97	80.28
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	379.22	409.32
Receivables from related parties considered good - unsecured	-	-
Less: Allowance for expected credit loss (Refer Note No. 28A (i))	(38.19)	(33.69)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total current	341.03	375.63

Note No. 7: Cash and Bank Balances

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash and Cash Equivalents		
(a) Balances with banks		
(i) In current accounts	33.59	19.55
(ii) In EEFC accounts	19.84	40.93
(b) Deposits with original maturity of less than three months	-	6.00
Total cash and cash equivalents	53.43	66.48
(ii) Other Bank Balances		
Balances with banks in unpaid dividend account	0.03	-
Deposits with original maturity of more than three months but less than twelve months	148.23	64.15
Balances held as margin money or security against fund and non-fund based banking arrangements	15.83	12.56
Total other bank balances	164.09	76.71

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, 2021	As at March 31, 2020
a) Current Accounts		
Axis Bank	0.01	0.05
Citibank	0.04	0.01
Citibank, Dubai	0.10	0.03
Citibank, USA	1.64	0.67
Fleet Bank, USA	-	2.00
HDFC Bank	6.61	0.41
HSBC Bank, Singapore	-	0.11
ICICI Bank (Refer Note No. 37)	0.11	0.00
Kotak Mahindra Bank	3.40	0.01
RBL Bank	-	0.11
Standard Chartered Bank	20.38	15.50
Standard Chartered Bank, Nairobi	0.08	0.10
Standard Chartered Bank, Singapore	0.66	0.10
Standard Chartered Bank, Kuala Lampur	0.10	0.06
Standard Chartered Bank, South Africa	0.24	0.16
State Bank of India	0.22	0.23
	33.59	19.55
b) EEFC Accounts		
Citibank	4.60	14.71
Standard Chartered Bank	15.24	26.22
	19.84	40.93
c) Deposits with original maturity of less than three months		
RBL Bank	-	6.00
	-	**6.00**
d) Balances with banks in unpaid dividend account		
Axis Bank	0.03	-
	0.03	-
e) Deposits with original maturity of more than three months but less than twelve months		
Axis Bank	41.49	-
HDFC Bank	-	8.70
IndusInd Bank	45.00	10.00
Kotak Mahindra Bank	7.96	6.45
RBL Bank	-	36.00
Standard Chartered Bank	4.08	3.00
ICICI Bank	39.80	-
Yes Bank	9.90	-
	148.23	64.15
f) Balances held as margin money or security against fund and non-fund based banking arrangements for less than twelve months		
Axis Bank	3.37	-
Citibank	0.63	0.06
Kotak Mahindra Bank	8.94	-
Standard Chartered Bank	2.89	12.50
	15.83	12.56
g) Deposits with original maturity of more than twelve months (Refer Note 9)		
Axis Bank	0.19	-
	0.19	-
h) Balances held as margin money or security against fund and non-fund based banking arrangements for more than twelve months (Refer Note No. 9)		
Citibank	1.35	1.11
	1.35	1.11
i) Deposits with financial institutions (Refer Note No. 9)		
Bajaj Finance Limited	60.00	60.00
HDFC Limited	48.00	25.00
	108.00	85.00
j) Total cash and cash equivalent (a+b+c)	53.43	66.48
k) Total other bank balances with maturity more than three months but less than twelve months (d+e+f)	164.09	76.71

Note No. 8: Loans

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
At amortised cost		
Loans considered good - secured	-	-
Loans considered good - unsecured		
Security deposits	5.46	5.70
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	5.46	5.70
Less: Provision	(0.09)	(0.09)
Total non-current loans	5.37	5.61
Current		
At amortised cost		
Loans considered good - secured	-	-
Loans considered good - unsecured		
Security deposits	0.29	0.10
Loans to employees	0.35	1.07
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total current loans	0.64	1.17

Note No. 9: Other Financial Assets

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current financial assets		
Deposits with original maturity of more than twelve months		
(i) In deposit accounts	0.19	-
(ii) Balances held as margin money or security against fund and non-fund based banking arrangements	1.35	1.11
Total non-current financial assets	1.54	1.11

Current financial assets		
Deposits with financial institutions	108.00	85.00
Unbilled Revenue	-	5.91
Interest accrued but not due	1.01	0.68
Foreign exchange forward contracts	1.00	-
Total current financial assets	110.01	91.59

Note No. 10: Tax assets

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
10(a) Current Tax Asset (net)		
Advance Income Tax (net)	62.61	47.80
	62.61	47.80

10(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)	3.50	21.98
Lease liabilities	7.65	9.74
Unabsorbed depreciation and allowances under section 35(2AB)	7.05	17.42
MAT credit	44.14	-
Total deferred tax assets	62.34	49.14
Right-of-use assets	5.62	7.44
Net deferred tax assets	56.72	41.70

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(2AB)	MAT credit	Total
As at April 01, 2019	10.98	-	127.02	-	138.00
(Charged)/Credited					
- to statement of profit and loss	11.00	0.05	(109.60)	-	(98.55)
- to retained earnings	-	2.25	-	-	2.25
As at March 31, 2020	21.98	2.30	17.42	-	41.70
(Charged)/Credited					
- to statement of profit and loss	(18.48)	(0.27)	(10.37)	44.14	15.02
As at March 31, 2021	3.50	2.03	7.05	44.14	56.72

Note:

During the year, the Company has recognised the deferred tax asset on MAT credit amounting to ₹ 44.14 crore (March 31, 2020 : Nil) based on Management's estimate of future taxable profits.

Note No. 11: Other assets

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Other non-current assets		
Pre-paid gratuity contributions (asset) (Refer Note No -23)	0.11	-
Prepaid expenses	0.20	0.14
Capital Advances	0.09	0.02
Balances with government authorities (other than income taxes)	6.58	6.81
Total other non-current assets	6.98	6.97
Other current assets		
Advances to suppliers	35.38	18.17
Advances others	0.02	0.02
Balances with government authorities (other than income taxes)	11.94	18.35
Prepaid expenses	2.26	0.96
Advances to employees	0.37	-
Total other current assets	49.97	37.50

Note No. 12: Inventories

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Raw material - components including assemblies and sub-assemblies [including goods in transit ₹ 0.37 (March 31, 2020: ₹ 0.73)]	213.65	251.99
Total Inventories*	213.65	251.99

*Net of provision for inventories amounting to ₹ 10.44 (March 31, 2020 ₹ 9.62).

Note No. 13: Equity Share Capital

in ₹ crore except for share data or as otherwise stated

Particulars	Number of Shares	Equity share capital
a) Authorised Capital		
Equity Share Capital of ₹ 10/- each		
As at April 01, 2019	17,64,52,000	176.45
Changes in equity share capital during the year		
Increase during the year	-	-
As at March 31, 2020	17,64,52,000	176.45
Changes in equity share capital during the year		
Increase during the year	-	-
As at March 31, 2021	17,64,52,000	176.45
b) Issued, Subscribed and Paid up Capital		
Equity Share Capital of ₹ 10/- each		
Fully paid shares		
As at April 1, 2019	9,17,19,579	91.72
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. 31 (v))	4,91,256	0.49
As at March 31, 2020	9,22,10,835	92.21
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan and restricted stock unit plan (Refer Note No. 31 (v))	10,29,509	1.03
As at March 31, 2021	9,32,40,344	93.24
c) Forfeited shares (to the extent of amount paid up)*		
As at April 1, 2019	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2020	3,27,27,930	3.27
Transaction during the year	-	-
As at March 31, 2021	3,27,27,930	3.27

Particulars	As at March 31, 2021	As at March 31, 2020
Total Equity Share Capital	96.51	95.48

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

in No's

Particulars	As at March 31, 2021	As at March 31, 2020
Cascade Capital Management, Mauritius		
Number of shares held	1,65,13,184	1,65,13,184
% holding in that class of shares	17.71%	17.91%
Samena Spectrum Co.		
Number of shares held	94,41,649	94,41,649
% holding in that class of shares	10.13%	10.24%
Nippon Life India Trustee Ltd.-A/C Nippon India Small Cap Fund		
Number of shares held	57,63,697	80,26,928
% holding in that class of shares	6.18%	8.70%
Consilium Extended Opportunities Fund L.P.		
Number of shares held	53,59,887	36,86,893
% holding in that class of shares	5.75%	4.00%
East Bridge Capital Master Fund I Ltd		
Number of shares held	47,93,508	47,93,508
% holding in that class of shares	5.14%	5.20%
HDFC Trustee Company Ltd. A/C HDFC Capital Builder Value Fund		
Number of shares held	-	71,06,628
% holding in that class of shares	-	7.71%
Mayfield XII, Mauritius		
Number of shares held	-	47,93,508
% holding in that class of shares	-	5.20%

c) 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.

d) Shares reserved for issuance towards outstanding employee stock options, RSU granted and available for grant (Refer Note 31):

in No's

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹ 10/- each		
ESOP Schemes	44,93,791	53,77,868
Outstanding at the end of the year	44,93,791	53,77,868
Options available for grant	-	-
RSU	22,41,651	27,33,161
Outstanding at the end of the year	12,13,491	16,84,501
Units available for grant	10,28,160	10,48,660

Note No. 14: Other Equity

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium	951.27	937.80
Retained earnings	52.28	12.53
Employee stock compensation outstanding account	33.12	33.92
Foreign Currency Translation Reserve	1.02	1.21
Total Other Equity	1,037.69	985.46

(i) Securities premium

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	937.80	931.17
Premium received upon exercise of ESOP	4.67	2.33
Reclassification upon exercise of ESOP/RSU	8.80	4.30
Closing Balance	951.27	937.80

(ii) Retained earnings

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	12.53	266.49
(Loss)/Profit for the year	37.54	(237.12)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of the post employment benefit obligation	2.21	(1.07)
Impact on account of adoption of Ind AS 116	-	(4.69)
Dividend (including Tax on dividend) (Refer Note No. 38)	-	(11.08)
Closing Balance	52.28	12.53

(iii) Employee stock compensation outstanding account

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	33.92	27.02
Share based payment expenses	8.00	11.20
Reclassification upon exercise of ESOP/RSU	(8.80)	(4.30)
Closing Balance	33.12	33.92

(iv) Foreign Currency Translation Reserve

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1.21	0.57
Transaction during the period	(0.19)	0.64
Closing Balance	1.02	1.21

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. 15: Lease Liabilities

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Lease Liabilities	17.07	21.91
Total non-current	17.07	21.91
Current		
Lease Liabilities	4.83	5.97
Total current	4.83	5.97

Net Debt Reconciliation

Particulars	Non- Current Borrowings and Current maturities of long term debt	Lease Liabilities
Debt as on April 01, 2019	1.19	-
Additions on account of Ind AS 116	-	29.09
Acquisitions - finance leases	-	4.37
Interest expense	-	2.78
Repayment of interest and principal	(1.19)	(8.36)
Debt as on March 31, 2020	-	27.88
Addition on account of interest	-	2.29
Repayment	-	(8.02)
Discount on leases	-	(0.25)
Debt as on March 31, 2021	-	21.90

Note No. 16: Provisions

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current provisions		
Other provisions		
Warranty	0.69	0.59
Total non-current provisions	0.69	0.59
Current provisions		
Provision for employee benefits		
Compensated absences*	4.70	4.55
Other provisions		
Warranty	0.52	2.89
Total current provisions	5.22	7.44

* The amount of provision of ₹ 4.70 (March 31, 2020 ₹ 4.55) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Leave obligation not expected to be settled within the next 12 months	3.90	3.67

Movement in Warranty

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

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	3.48	4.98
Unwinding of interest on provisions	0.29	0.44
Additions/(reversals)	(1.34)	(0.24)
Utilisation	(1.22)	(1.70)
Closing balance	1.21	3.48
Disclosed as:		
Non-current	0.69	0.59
Current	0.52	2.89
	1.21	3.48

Note No. 17: Trade Payables

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises (Refer Note 30.2)	11.84	10.96
Total outstanding dues of creditors other than micro and small enterprises	80.38	63.81
Total trade payables	92.22	74.77

Note No. 18: Other Financial Liabilities

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Due to employees	16.98	15.04
Capital Creditors	0.95	1.42
Accrual for expenses	29.15	25.69
Unpaid dividend	0.03	0.03
Other liabilities	0.15	0.09
Total other financial liabilities	47.26	42.27

Note No. 19: Other Current Liabilities

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advances received from customers	1.65	0.38
Deferred revenue	2.07	2.60
Statutory dues	6.67	4.28
Total other current liabilities	10.39	7.26

Note No. 20: Revenue from Operations

in ₹ crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from contract with customers		
Sale of goods		
Manufactured goods - Optical and Data Networking products including multiplexers	468.34	333.07
Component sales	11.78	10.75
	480.12	343.82
Rendering of services		
Installation and commissioning revenue	8.32	14.44
Annual maintenance revenue *	34.37	27.40
Other service revenue	3.79	4.88
	46.48	46.72
Total revenue from operations	526.60	390.54

* Recognised over period of time.

Note No. 21: Other Income

in ₹ crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income from banks on deposits	10.16	11.82
(Loss) on current investment carried at fair value through statement of profit and loss	(0.18)	(0.10)
Gain on sale of current investment carried at fair value through statement of profit and loss	2.81	4.08

Unwinding of discount on fair valuation of financials assets	0.07	0.12
Net gain on foreign currency transactions and translation	-	8.99
Export Incentive	1.27	5.64
Other non-operating income		
Bad debts recovered	0.02	0.20
Profit on sale of property, plant and equipment	0.01	0.02
Refund of CST	-	1.78
Interest on IT refunds	10.04	-
Miscellaneous income	0.65	1.10
Total other income	24.85	33.65

Note No. 22: Cost of Materials Consumed

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Opening stock	251.99	181.39
Add: Purchases	230.40	274.18
	482.39	455.57
Less: Closing stock	213.65	251.99
Cost of materials consumed*	268.74	203.58

*including write down of inventories.

Note No. 23: Employee Benefit Expense

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Salaries and wages, including performance incentives	161.52	151.41
Contribution to provident and pension funds [Refer Note No. 23 (i)]	6.83	6.81
Gratuity expenses	2.17	2.20
Employee share based payment expenses [Refer Note No. 31 (vii)]	8.00	11.20
Staff welfare expenses	3.45	4.82
	181.97	176.44
Less: Capitalized during the year [Refer Note No. 4(b) and Note No. 30.8 (i)]	65.64	65.92
Total employee benefit expenses	116.33	110.52

Employee benefit plans

(i). Defined contribution plan

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

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Provident Fund Contributions	6.02	5.96
Employee Pension Scheme	0.81	0.85
Total	6.83	6.81

(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 ₹ 4.70 (March 31, 2020 – ₹ 4.55) is presented as current, since the Group does not have an unconditional right to defer settlement for a period beyond 12 months. However, based on past experience, the Group does not expect all the employees to avail leave accrued to their credit or require payment within the next 12 months.

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

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Compensated absence expense/(gain) included in salaries and wages	0.46	(0.43)
Actuarial assumptions for long-term compensated absences		
Discount rate	7.07%	6.63%
Salary escalation	6.50%	6.50%
Attrition	7.00%	7.00%

(iii). Defined Benefit Plans

(a) Gratuity

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

Particulars	Year Ended March 31,	
	2021	2020
Actuarial assumptions for defined benefit plan		
Discount rate	7.07%	6.63%
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, 2019	15.52	(15.52)	-
Current service cost	2.13	-	2.13
Interest expense/(income)	0.99	(0.99)	-
Total amount recognised in profit or loss under employee benefit expenses	3.12	(0.99)	2.13
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	(0.04)	-	(0.04)
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	1.74	-	1.74
Actuarial (Gain)/ Losses due to experience adjustments on DBO	0.38	-	0.38
Return on Plan Assets (Greater) / Lesser than Discount rate	-	(1.01)	(1.01)
Total amount recognised in other comprehensive income	2.08	(1.01)	1.07
Employer contributions/ premiums paid	-	(3.20)	(3.20)
Benefit payments	(1.14)	1.14	-
As at March 31, 2020	19.58	(19.58)	-

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2020	19.58	(19.58)	-
Current service cost	2.17	-	2.17
Interest expense/(income)	1.34	(1.34)	-
Total amount recognised in profit or loss under employee benefit expenses	3.51	(1.34)	2.17
Remeasurements			
Actuarial (Gain) / Losses due to Demographic Assumption changes on DBO	-	-	-
Actuarial (Gain) / Losses due to Financial Assumption changes on DBO	(0.77)	-	(0.77)
Actuarial (Gain)/ Losses due to experience adjustments on DBO	(1.03)	-	(1.03)
Return on Plan Assets (Greater) / Lesser than Discount rate	-	(0.41)	(0.41)
Total amount recognised in other comprehensive income	(1.80)	(0.41)	(2.21)
Employer contributions/ premiums paid	-	-	-
Benefit payments	(1.28)	1.21	(0.07)
As at March 31, 2021 (Refer Note No. 11)	20.01	(20.12)	(0.11)

b) Sensitivity Analysis

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

Particulars	Year Ended March 31,	
	2021	2020
Discount Rate		
Increase by 100 basis points (March 31, 2020 100 basis points)	-7.84%	-8.42%
Decrease by 100 basis points (March 31, 2020 100 basis points)	9.06%	9.78%
Salary Growth Rate		
Increase by 100 basis points (March 31, 2020 100 basis points)	8.92%	9.60%
Decrease by 100 basis points (March 31, 2020 100 basis points)	-7.85%	-8.40%
Attrition Rate		
Increase by 100 basis points (March 31, 2020 100 basis points)	-0.28%	-0.54%
Decrease by 100 basis points (March 31, 2020 100 basis points)	0.31%	0.61%
Mortality increase by 10% (March 31, 2020 10%)	-0.01%	-0.01%

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

Composition of the plan assets is as follows:

Particulars	As At March 31,	
	2021	2020
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, 2022 are ₹ 2.42.

The weighted average duration of the defined benefit obligation is 12.44 years (March 31, 2020: 12.91 years). The expected maturity analysis of undiscounted gratuity is as follows:

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Year 1	1.58	1.06
Year 2	1.62	1.42
Year 3	2.02	1.52
Year 4	1.13	1.90
Year 5	1.53	1.03
Year 6-10	7.67	7.30
Year 10 and above	26.58	26.65

Note No. 24A: Finance Cost

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Interest expense		
(i) Unwinding of discount on fair valuation of financial liabilities	2.57	3.33
Other finance cost	1.13	4.39
Total finance cost	3.70	7.72

Note No. 24B: Allowance for expected credit loss

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Allowance for expected credit loss (Refer Note No. 28A(i))	14.80	20.03
Total Allowance for expected credit loss	14.80	20.03

Note No. 25: Other Expenses

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Installation and commissioning expenses	5.11	3.70
Other processing charges	0.98	1.60
Power and fuel	4.56	5.07
Housekeeping and security	2.44	2.56
Lease rentals	1.95	2.13
Repairs and maintenance - machinery	0.33	0.32
Repairs and maintenance - others	1.70	1.85
Sub-contractor charges	9.46	11.92
Insurance	1.36	0.69
Rates and taxes	0.22	0.12
Communication	1.19	1.21
Royalty	0.11	0.07
Travelling and conveyance	2.00	14.63
Printing and stationery	0.15	0.33
Freight and forwarding	11.28	2.30
Sales expenses	0.11	2.47
Sales commission	11.93	7.89
Business promotion	0.41	2.80
Director sitting fees	0.13	0.15
Director commission	0.32	-
Legal and professional	12.04	8.54
Auditors remuneration and out-of-pocket expenses		
Audit Fee (including fees for limited reviews)	0.63	0.56
Tax Audit Fee	0.03	0.02
Certification	0.17	0.16
Auditors out-of-pocket expenses	0.03	0.05
Net loss on foreign currency transactions and translation	1.44	-
Bad Debts written off	-	0.07
Less: Provision for doubtful debts released	-	(0.02)
Provision for warranty	(1.34)	(0.24)
Expenditure on corporate social responsibility (Refer Note No. 35)	0.98	1.97
Subscription and Membership	1.44	1.16
Miscellaneous expenses	2.08	1.30
	73.24	75.38
Less: Capitalized during the year [Refer Note No. 4(b)]	-	1.39
Total other expenses	73.24	73.99

Note : Other expenses include R&D expenses under various line items [Refer Note No. 30.8 (ii)].

Note No. 26: Income Tax Expense

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
a. Current tax		
Tax on profits for the year	-	-
Total current tax expense	-	-
b. Deferred tax		
Decrease/(increase) in deferred tax assets	(15.02)	98.55
Total deferred tax (benefit)/expense	(15.02)	98.55
Total income tax (benefit)/expense	(15.02)	98.55

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

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Profit/(Loss) before income tax expense	22.52	(138.57)
Tax expense /(credit) determined based on the statutory tax rate [i.e.34.944% (March 31, 2020: 34.944%)]	7.87	(48.42)
Reconciling items:		
Expenses disallowed for tax purposes	2.20	0.86
Mark-to-market loss/(gain) on mutual fund investments not considered for tax purposes	0.06	0.04
Tax impact on remeasurement gains and losses recognised in OCI	0.77	(0.37)
MAT credit recognised	(44.14)	-
Adjustment for deduction u/s 35 (2AB) and recognition of deferred tax on tax losses	18.22	146.11
Impact of changes in tax rate	-	0.33
Income Tax (benefit)/expense	(15.02)	98.55

Note No. 27: Fair Value Measurement

(i) Financial instruments by category and fair value hierarchy

in ₹ crore

Particulars	Level	March 31, 2021		March 31, 2020	
		FVPL	Amortized cost	FVPL	Amortized cost
Financial assets					
Investments					
- Mutual Funds	1	37.37	-	50.97	-
- Others (Refer Note No. 37)	3	0.00	-	0.00	-
Trade receivables	3	-	414.00	-	455.91
Cash and cash equivalents		-	53.43	-	66.48
Bank balances other than cash and cash equivalents		-	164.09	-	76.71
Loans					
- Security deposits	3	-	5.66	-	5.71
- Loans to employees	3	-	0.35	-	1.07
Other financial assets					
- Deposits with original maturity of more than twelve months		-	1.54	-	1.11
- Deposits with financial institutions		-	108.00	-	85.00
- Unbilled Revenue	3	-	-	-	5.91
- Interest accrued but not due	3	-	1.01	-	0.68
- Foreign Exchange Forward Contracts	2	-	1.00	-	-
Total Financial Assets		37.37	749.08	50.97	698.58
Financial liabilities					
Borrowings		-	-	-	-
Trade payables	3	-	92.22	-	74.77
Other financial liabilities					
- Current maturities of long-term debt		-	-	-	-
- Interest accrued but not due on borrowings		-	-	-	-
- Capital Creditors		-	0.95	-	1.42
- Due to employees		-	16.98	-	15.04
- Accrual for expenses		-	29.15	-	25.69
- Unpaid dividend		-	0.03	-	0.03
- Other liabilities		-	0.15	-	0.09
Total Financial liabilities		-	139.48	-	117.04

Level 1: Includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels during the year.

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

(ii) Valuation Technique

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

(iii) Valuation Process

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

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

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

Note No. 28: Financial risk management

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

A. Credit Risk

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

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

in ₹ crore

Loss allowance as on April 01, 2019	(15.10)
Changes in loss allowance	(20.20)
Loss allowance as on April 01, 2020	(35.30)
Changes in loss allowance	(14.76)
Loss allowance as on March 31, 2021 (Refer Note No. 6)	(50.06)

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

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

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

As at March 31, 2021 the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to ₹ 91.19 crore (net of provision) from public sector customers (including from BSNL for Bharatnet project). Management has taken the necessary steps to expedite collections from the concerned customers. Having regard to the good past history of collections from such customers, Management believes that the aforesaid net receivables as at March 31, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.

(ii) 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, 2021	March 31, 2020
Increase in credit loss rate by 10%	(1.22)	(1.67)
Decrease in credit loss rate by 10%	1.22	1.67

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, 2021	March 31, 2020
Cash and cash equivalents	53.43	66.48
Other bank balances - deposits with maturity more than 3 months but less than 12 months and margin money	164.09	76.71
Deposits with financial institutions	108.00	85.00
Current investments - mutual funds	37.37	50.97
	362.89	279.16
Less: Balances held as margin money or security against fund and non-fund based banking arrangements	15.83	12.56
	347.06	266.60

(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, 2021	March 31, 2020
Rupee		
Fund/ Non Fund based	165.14	259.30
USD (in rupee terms)		
Fund based	-	-

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

(iii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities- March 31, 2021	Less than 6 months	6months to 1 year	Between 1 and 2 years	More than 2 years	Total
Non-Derivatives					
Trade payables	92.22	-	-	-	92.22
Due to employees	16.98	-	-	-	16.98

Capital Creditors	0.95	-	-	-	0.95
Accrual for expenses	29.15	-	-	-	29.15
Lease Liabilities	3.25	3.39	7.07	14.05	27.76
Unpaid Dividend	0.03	-	-	-	0.03
Other liabilities	0.15	-	-	-	0.15
	142.73	3.39	7.07	14.05	167.24

Contractual maturities of financial liabilities-March 31, 2020	Less than 6 months	6 months to 1 year	Between 1 and 2 years	More than 2 years	Total
Non-Derivatives					
Trade payables	74.77	-	-	-	74.77
Current maturities of long-term debt	-	-	-	-	-
Due to employees	15.04	-	-	-	15.04
Capital Creditors	1.42	-	-	-	1.42
Accrual for expenses	25.69	-	-	-	25.69
Lease Liabilities	4.20	4.06	6.64	21.12	36.02
Unpaid Dividend	0.03	-	-	-	0.03
Other liabilities	0.09	-	-	-	0.09
	121.24	4.06	6.64	21.12	153.06

C. Market Risk

(a) Foreign currency risk exposure

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

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

	March 31, 2021		March 31, 2020	
	USD	MYR*	USD	MYR*
Assets				
Trade receivables	92.90	53.43	135.02	4.54
Balance in EEFC account	19.84	-	40.93	-
Balance with banks outside India	2.24	0.36	2.20	0.06
Net exposure to foreign currency risk (assets)	114.98	53.79	178.15	4.60
Liabilities				
Trade payables	24.95	0.15	31.57	0.13
Net exposure to foreign currency risk (liabilities)	24.95	0.15	31.57	0.13
Net exposure to foreign currency risk	90.03	53.64	146.58	4.47

* 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, 2021	March 31, 2020
USD Sensitivity		
INR/USD - Increase by 5% (March 31, 2020 10%)*	(3.71)	(13.25)
INR/USD - Decrease by 5% (March 31, 2020 10%)*	3.71	13.25
MYR Sensitivity		
INR/MYR - Increase by 5% (March 31, 2020 10%)*	(2.21)	(0.37)
INR/MYR - Decrease by 5% (March 31, 2020 10%)*	2.21	0.37

* Holding all other variables constant

Note No. 29: Capital Management

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

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

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

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

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

Debt equity ratio	March 31, 2021	March 31, 2020
Net Debt*	(342.53)	(252.39)
Equity	1,134.20	1,080.94
Debt equity ratio	-	-

*Net Debt represents the balance of borrowing (including lease liabilities) reduced by cash and cash equivalent, other bank balances including deposits more than 12 months, deposits with financial institutions and investment in liquid mutual funds. The Group has no 'net debt' as at March 31, 2021.

Note No. 30: Additional Information to Financial Statements

in ₹ crore

Note	Particulars	As at March 31, 2021	As at March 31, 2020
30.1 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 and 2 below)	46.65	43.63
	Disputed Income Tax Demands * (Refer Note 3 and 4 below)	7.56	73.93
	Disputed CST and VAT Demand *	15.67	1.77
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	1.29	1.88

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

Note 1: On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during financial years from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the financial year 2010-11 with associated demand of ₹ 11.87 and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of ₹ 24.88 i.e. a total demand of ₹ 36.75. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT.

According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties.

The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to ₹ 42.92 (which includes the demand of ₹ 36.75 by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to ₹ 0.90. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to ₹ 43.82.

The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matter and accordingly, no provision has been made in these financial statements.

Note 2: Further, the Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of financial years 2010-11 to 2013-14 on a similar matter amounting to ₹ 3.01 which are not part of the orders discussed above and for which the company had provided its response. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matter and accordingly, no provision has been made in these financial statements.

Note 3: During FY 2019-20, the Company received notices of demand from the Department for additional tax payable amounting to ₹ 25.62 crore for AY 2017-18 (after adjusting the carried forward losses from earlier years) under Section 156 of the IT Act after making additions of various items to taxable income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company had also received a demand order for AY 2018-19 for additional tax payable amounting to ₹ 0.48 crore. Following the Company's application for rectification of apparent computation errors in the aforesaid demand notices, during the quarter ended September 30, 2020 the Company received rectification orders u/s 154 of the IT Act for AY 2012-13 to AY 2018-19 under which the Company now has a cumulative net refund position for AY 2017-18 and AY 2018-19, after corrections were made by the Assessing

Officer to the amounts of carry forward losses and TDS in respect of earlier assessment years. The Company has also challenged the orders passed by the Assessing Officer (AO) by filing an appeal with the Commissioner of Income Tax (Appeals) against additions of various items to taxable income for the relevant earlier assessment years. The Company is of the view that the outcome of these proceedings/ notices/ summons will not have any material adverse impact on the Company's financial statements.

Note 4: In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act for AY 2012-13 to 2018-19. The Company and its officials fully co-operated with the Department. During FY 2018-19, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during FY 2019-20 and in the current financial year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. The Company is of the view that the outcome of these summons/notices will not have any material impact on the Company's financial statements.

Note 5: The Company and its overseas subsidiary has filed a claim against a vendor for recovery of outstanding amount (net), which comprises amount payable by the Company and amount receivable by the Company's overseas subsidiary. The Company has also received a counter claim from the said vendor. Based on management assessment, the counter claim is not tenable as it is not backed by reliable supporting documentation. There has been no business with this vendor for more than 3 years. During the current year, the Company and its overseas subsidiary have entered into a settlement with the vendor pursuant to which the vendor has agreed to a settlement amount, which is to be received by the Company over a period of 2 years. The Company does not expect any additional charge in the statement of profit and loss on account of this settlement

30.2 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, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end[1]	11.84	10.96
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end		-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year		-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act		-
Interest accrued and remaining unpaid at the end of each accounting year		-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

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

30.3 Segment Information

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

(ii) Geographical information

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
I. Revenues*		
India	321.64	264.08
International#	204.96	126.46
Total	526.60	390.54

* Determined based on location of customers

\# International includes Africa and South East Asia regions (March 31, 2020: Africa and Americas regions) which individually contribute to more than 10% of the total revenues.

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
II Total Carrying amount of non current assets, by geographical location		
India*	135.50	105.64
International	-	-

* Includes an amount of ₹ 16.09 (March 31, 2020: 21.29) being Right of use assets pursuant to adoption of Ind AS 116.

Revenues of approximately ₹ 193.86 are derived from three external customers (March 31, 2020: ₹ 109.53 from one external customer) each exceeding 10% of the total revenue.

30.4 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. 20)

in ₹ crore

Particulars	Year Ended March 31, 2021	2020
India-PSU	85.85	58.10
India-Private	235.79	205.98
International	204.96	126.46
	526.60	390.54

(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, 2019	3.39	0.58
Less: Revenue accrued during the year	18.52	0.33
Add: Invoicing in excess of earned revenue during the year	17.73	0.13
Balance as on March 31, 2020	2.60	0.38
Less: Revenue accrued during the year	10.35	0.14
Add: Invoicing in excess of earned revenue during the year	9.82	1.41
Balance as on March 31, 2021	2.07	1.65

(iii) Performance obligations and remaining performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, is approximately ₹ 679.4. Out of this, the Group expects to recognize revenue of around 51.3% 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, 2021	2020
Contract Price	526.60	390.87
Less adjustments for:		
Variable consideration	-	0.33
Revenue from operations	526.60	390.54

30.5 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, 2021	March 31, 2020
Right of use Assets		
Buildings	16.10	21.29
Total	16.10	21.29

Particulars	As at March 31, 2021	March 31, 2020
Lease Liabilities		
Current	4.83	5.97
Non-Current	17.07	21.91
Total	21.90	27.88

Additions to right-of-use assets during the current financial year is ₹ Nil (March 31, 2020: 3.87).

(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, 2021	2020
Depreciation charge of Right of use Assets			
Buildings	4(c)	5.19	5.23
Total		5.19	5.23
Other costs			
Interest expense (included in finance costs)	24A	2.29	2.78
Expenses relating to short term leases (included in other expenses)*	25	1.95	2.13
Total		4.24	4.91

*includes maintenance expenses

The total cash outflow for leases for the year ended March 31, 2021 is ₹ 9.97 (March 31, 2020: ₹ 10.49).

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.

30.6 Related Party Transactions

(i) Details of related parties:

Description of relationship	
Entity where a Director is interested with whom the Company had transaction during the year	Clonect Solutions Private Limited ('Clonect')
	Darwinbox Digital Solutions Private Limited ('Darwinbox')
	Cloudsek Information Security Private Limited ('Cloudsek')
	Deshpande Foundation
	Akshaya Patra Foundation
	ICT Academy
Post-employment benefit plan for the benefit of employees	Tejas Networks Limited Employees Group Gratuity Fund Trust

Key Management Personnel (KMP)	
Executive Directors	Sanjay Nayak, CEO and Managing Director
	Arnob Roy, Chief Operating Officer and Whole Time Director
Non - Executive Directors	
Independent Directors	Balakrishnan V
	Leela K Ponappa
	Chandrashekar Bhaskar Bhave
Non - Independent Directors	Gururaj Deshpande

(ii) Details of the related party transactions during the year ended March 31, 2021:

in ₹ crore

Particulars	Year Ended March 31,	
	2021	2020
Transaction during the year		
Subscription & Membership expense		
Clonect	0.05	0.08
Legal & Professional Charges		
Darwinbox	0.07	0.07
Cloudsek	0.12	-
Expenditure on Corporate Social Responsibility		
Deshpande Foundation	0.15	0.26
Akshaya Patra Foundation	0.10	0.40
ICT Academy	0.15	0.50
Contribution to Post Employment Benefit Trust		
Tejas Networks Limited Employees Group Gratuity Fund Trust	-	3.20
Remuneration to Key Management Personnel		
Executive Directors		
Sanjay Nayak		
Short-term employee benefits	1.68	1.66
Post-employment benefits	0.03	0.03
Employee share-based payment	0.44	1.20
Arnob Roy		
Short-term employee benefits	1.20	1.24
Post-employment benefits	0.02	0.02
Employee share-based payment	0.33	0.91
Non - Executive Directors		
Director Sitting Fees		
Balakrishnan V	0.04	0.04
Leela K Ponappa	0.04	0.05
Chandrashekar Bhaskar Bhave	0.04	0.05
Director Commission*		
Balakrishnan V	0.16	-
Leela K Ponappa	0.08	-
Chandrashekar Bhaskar Bhave	0.08	-

*The Company proposes to obtain the shareholders approval by way of a resolution to be passed at the ensuing annual general meeting for remuneration aggregating to ₹ 0.32 proposed to be paid to the independent directors in respect of the financial year ended March 31, 2021

(iii) Balances outstanding at the end of the year

in ₹ crore

Particulars	As at	
	March 31, 2021	March 31, 2020
Payable to Key Management Personnel		
Sanjay Nayak	0.34	0.38
Arnob Roy	0.29	0.33
Balakrishnan V	0.16	-
Leela K Ponappa	0.08	-
Chandrashekar Bhaskar Bhave	0.08	-

Note:

All transactions with related parties were made on normal commercial terms and conditions. All outstanding balances are unsecured and are repayable in cash.

30.7 Earnings/(Loss) per Share

in ₹ crore except for share data or otherwise stated

Particulars	Year Ended March 31,	
	2021	2020
Basic		
Net profit/(loss) for the year attributable to the equity shareholders	37.54	(237.12)
Weighted average number of equity shares	9,25,53,796	9,20,38,454
Par value per share (₹)	10.00	10.00
Earnings/(loss) per share - Basic (₹)	4.05	(25.76)
Diluted		
Net profit/(loss) for the year attributable to the equity shareholders	37.54	(237.12)
Weighted average number of equity shares for Basic EPS	9,25,53,796	9,20,38,454
Add: Bonus element on Share Options and RSUs issued to employees	15,74,477	-
Weighted average number of equity shares - for diluted EPS	9,41,28,273	9,20,38,454
Par value per share (₹)	10.00	10.00
Earnings/(loss) per share - diluted (₹)	3.99	(25.76)

* The bonus element on Share Options and RSUs issued to employees are anti-dilutive for the previous year ended March 31, 2020 and has hence been ignored.

30.8 Product Development Cost

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

in ₹ crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount transferred to Product Development	68.14	44.60
Additions to Intangible assets under development	65.64	67.31
Impairment loss which pertains to additions	-	36.15

(ii) The Company's R&D centers in Bangalore, Mumbai and Gurgaon are recognised by the Department of Scientific and Industrial Research (DSIR) as In-House R&D units. Details of Capital and Revenue expenditure incurred towards Research and Development in these R&D units as claimable under section 35 of Income Tax Act of 1961 for the year ended March 31, 2021.

in ₹ crore

Particulars	Amount
Eligible capital expenditure	77.87
Eligible revenue expenditure	32.71
TOTAL	110.58

Eligible capital expenditure includes R&D manpower salaries/wages towards product development amounting to ₹ 65.64.

30.9 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, 2021	% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2020
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%

Note No. 31: Employee Stock Option Plan (ESOP) and Restricted Stock Units (RSU)

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

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

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

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

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

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

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

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

As the Group has implemented RSU plan during the financial year 2017-18, the Group does not plan to grant any new options from the pool available from the current ESOP Schemes. Consequently, the options available for grant were considered as "NIL" for the current ESOP schemes. Hence, other information is not applicable for the year ended March 31, 2020 and 2021.

(v) Summary of options under various plans:

Particulars	March 31, 2021		March 31, 2020	
	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	21,24,436	65	24,40,069
Granted during the year	-	-	-	-
Exercised during the year*	65	4,82,609	65	2,83,583
Forfeited during the year	65	11,877	65	32,050
Outstanding at the end of the year	65	16,29,950	65	21,24,436
Exercisable at the end of the year	65	16,29,950	65	21,24,078
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		10.96 years		11.94 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 ₹ 103.88)

Particulars	March 31, 2021		March 31, 2020	
b) ESOP Plan 2014-A				
Outstanding at the beginning of the year	85	13,79,749	85	14,76,427
Granted during the year	-	-	-	-
Exercised during the year*	85	94,872	85	37,645
Forfeited during the year	85	14,745	85	59,033
Outstanding at the end of the year	85	12,70,132	85	13,79,749
Exercisable at the end of the year	85	12,70,132	85	13,63,861
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		5.52 years		2.53 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 ₹ 103.88)

Particulars	March 31, 2021		March 31, 2020	
	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	18,73,683	85 -110	20,24,545
Granted during the year	-	-	-	-
Exercised during the year*	85 -110	1,69,856	85 -110	63,363
Forfeited during the year	85 -110	1,10,118	85 -110	87,499
Outstanding at the end of the year	85 -110	15,93,709	85 -110	18,73,683
Exercisable at the end of the year	85 -110	15,86,355	85 -110	15,48,012
Options available for grant	-	-	-	-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		5.93 years		2.96 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 - ₹ 103.88)

d) (i) Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved extension of exercise period of the Employee Stock Option Plan 2014-A and Employee Stock Option Plan 2016 in respect of employees who have not exercised the Stock Options that are vested as per the plan in vogue by another 4 years.
(ii) The incremental fair value of the options which were modified amounted to ₹ 2.21 crore, which has been recognized in the Statement of Profit and Loss.
(iii)The fair value has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	ESOP Plan 2014-A	ESOP Plan 2016
Share price on the date of Modification	84.65	84.65
Exercise price	85.00	85 &110
Risk Free Interest Rate	5.91%	5.91%
Expected Life	5-12Years	5-12Years
Exercise period from the date of vesting	8 years	8 years
Expected Annual Volatility of Shares	60.9%	60.9%
Expected Dividend Yield	1.18%	1.18%

	Weighted average exercise price (INR)	Number of stock units	Weighted average exercise price (INR)	Number of stock units
e) RSU Plan 2017				
Outstanding at the beginning of the year	10	16,84,501	10	10,20,923
Granted during the year	10	20,500	10	9,08,000
Exercised during the year*	10	2,82,172	10	1,06,665
Forfeited during the year	10	2,09,338	10	1,37,757
Outstanding at the end of the year	10	12,13,491	10	16,84,501
Exercisable at the end of the year	10	4,68,258	10	1,93,663
RSU available for grant#	10	10,28,160	10	10,48,660
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		4.01 years		4.73 years

* The weighted average share price during the year ended March 31, 2021 was ₹ 110.42 (March 31, 2020 - ₹ 103.88)
# Excludes 3,65,385 RSUs lapsed as on March 31,2021 (March 31, 2020 - 1,56,047) which can be re-issued and will form part of RSU pool to be granted.

(vi) Fair value of RSUs

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

Assumptions	Year ended March 31,	
	2021	2020
RSU Plan 2017		
Weighted Average share price on the date of grant	94.55	118.32
Exercise price	10.00	10.00
Risk Free Interest Rate	5.86% to 5.96%	6.44% to 7.47%
Expected Life	5-8 Years	5-8 Years
Exercise period from the date of vesting	4 years	4 years
Expected Annual Volatility of Shares	60% to 61%	53% to 59%
Expected Dividend Yield	0.70% to 1.79%	0.53% to 1.29%

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

in ₹ crore

Assumptions	Year ended March 31,	
	2021	2020
Equity-settled share-based payments (Refer Note No. 23)	8.00	11.20

Note No. 32: Assets pledged as security against fund and non-fund based banking arrangements

in ₹ crore

Particulars	Note	As at March 31, 2021	As at March 31, 2020
(i) Financial Assets			
Trade Receivables	6	330.88	364.24
Loans	8	0.46	1.07
Other financial assets	9	1.54	1.11
Other financial assets excluding deposits with financial institutions	9	2.01	6.40
Total financial assets		334.89	372.82
(ii) Non- Financial Assets			
Other current assets	11	53.46	37.46
Inventories	12	213.65	251.99
Total non- financial assets		267.11	289.45
(iii) Total current assets pledged as security		602.00	662.27
(iv) Non-current assets			
Property, plant and equipment	4(a)	29.48	30.55
Trade Receivables		72.97	80.28
Total Non-current assets pledged as security		102.45	110.83
(v) Total assets pledged as security		704.45	773.10

The Group has multiple banking arrangements with banks who have extended fund based and non- fund based facilities and have placed uniform covenants for collateral purposes. The banks have a pari passu claim on current assets, movable property, plant and equipment provided as a collateral, with respect to such fund and non-fund based facilities. At any given point of time, availment out of fund and non-fund based facilities will be within the limits sanctioned. The pari passu charge implies that the banks have a proportionate claim on the collaterals, limited to actual utilisation of fund and non-fund based facilities. The aggregate of fund and non-fund based facilities availed as at March 31, 2021 aggregates to ₹ 103.35 (March 31, 2020: ₹ 162.20).

Note No. 33: Statement of Function wise Profits and Losses (for additional information only)

in ₹ crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue		
Product sales	468.34	333.07
Component sales	11.78	10.75
Services	46.48	46.72
Net Revenue (A)	526.60	390.54
Cost of materials consumed (Refer Note i below)	269.83	203.86
Manufacturing Expenses	14.07	14.74
Service Expenses	30.57	36.70
Total Cost of Goods Sold (B)	314.47	255.30
Gross Profit (C) = (A) - (B)	212.13	135.24
Operating Expenses:		
Research & Development (Gross)	106.05	109.40
Less: R&D Capitalized	(65.64)	(67.31)
Research & Development (Net)	40.41	42.09
Selling, Distribution & Marketing	93.96	87.32
General & Administrative	22.83	23.41
Operating Expenses (Net) (D)	157.20	152.82
Profit/(loss) from operations (EBITDA) (E) = (C) - (D)	54.93	(17.58)
Other Income (Refer Note ii below)	24.85	24.66
Foreign exchange loss/(gain) (Refer Note iii below)	1.44	(8.99)
Finance costs	3.70	7.72
Depreciation and amortization	52.12	77.05
Impairment of non-current assets	-	69.87
Profit/(Loss) before tax	22.52	(138.57)
Tax expense:		
Current tax	-	-
Deferred tax expense/(benefit)	(15.02)	98.55
Profit/(loss) after tax	37.54	(237.12)
Other Comprehensive income/(loss)	2.02	(0.43)
Total comprehensive income/(loss) for the year	39.56	(237.55)
Earning/(loss) per share (Par Value ₹ 10 each)		
(a) Basic	4.05	(25.76)
(b) Diluted	3.99	(25.76)
Weighted average Basic Equity share outstanding	9,25,53,796	9,20,38,454
Weighted average Diluted Potential Equity share outstanding	9,41,28,273	9,20,38,454

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, 2021	Year ended March 31, 2020
Cost of material consumed as per Schedule III (Refer Note No. 22)	268.74	203.58
Add: Considered separately under other expenses as per Schedule III (Refer Note No. 25)		
Other Processing Charges	0.98	1.60
Royalty	0.11	0.07
Less: Other processing charges considered under R&D	-	1.39
Total Cost of material consumed as per function wise profit and loss	269.83	203.86

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other income as per Schedule III (Refer Note No. 21)	24.85	33.65
Less: Net gain on foreign exchange considered separately in functional wise profit and losses (Refer Note iii below)	-	(8.99)
Other income as per function wise profit and loss	24.85	24.66

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

in ₹ crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net loss/(gain) on foreign currency transactions and translation others (other than considered as finance cost) (Refer Note No. 21, Note No. 25 and Note ii above)	1.44	(8.99)
Foreign exchange loss/(gain) as per function wise profit and loss	1.44	(8.99)

Note No. 34: 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	
	2021	2020
Parent Company		
Tejas Networks Limited		
As % of consolidated net assets	98.68%	98.93%
Amount	1119.24	1066.04
Subsidiaries		
Foreign		
Tejas Communication Pte. Ltd. (refer note 2 below)		
As % of consolidated net assets	1.32%	1.38%
Amount	14.96	14.90
Total		
As % of consolidated net assets	100.00%	100.00%
Amount	1,134.20	1,080.94

Particulars	Share of profit or loss	
	2021	2020
Parent Company		
Tejas Networks Limited		
As % of consolidated profit or loss	99.36%	100.06%
Amount	37.30	(237.26)
Subsidiaries		
Foreign		
Tejas Communication Pte. Ltd. (refer note 2 below)		
As % of consolidated profit or loss	0.64%	-0.06%
Amount	0.24	0.14
Total		
As % of consolidated profit or loss	100.00%	100.00%
Amount	37.54	(237.12)

Particulars	Other Comprehensive Income		Total Comprehensive Income	
	2021	2020	2021	2020
Parent Company				
Tejas Networks Limited				
As % of consolidated profit or loss	82.67%	-53.49%	98.51%	99.78%
Amount	1.67	0.23	38.97	(237.03)
Subsidiaries				
Foreign				
Tejas Communication Pte. Ltd. (refer note 2 below)				
As % of consolidated profit or loss	17.33%	153.49%	1.49%	0.22%
Amount	0.35	(0.66)	0.59	(0.52)
Total				
As % of consolidated profit or loss	100.00%	100.00%	100.00%	100.00%
Amount	2.02	(0.43)	39.56	(237.55)

Note :- 1. Details included above for Tejas Communication Pte. Ltd. Includes the relevant data for its subsidiary (Tejas Communications (Nigeria) Limited)

2. Net assets given above are before elimination of inter-company balances. Share in profit or loss, other comprehensive income and total comprehensive income are before elimination of inter-company transactions.

Note No. 35: 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 ₹ 0.98 (previous year ₹ 1.97).
(b) Amount unspent during the year:

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
-	-	0.98	0.98	-

(c) Amount spent during the year: ₹ 0.98 (included under expenditure on corporate social responsibility note no. 25)

in ₹ crore

Particulars	Incurred	Yet to be incurred	Total
1. Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
2. On purposes other than (1) above	0.98	-	0.98
	(1.97)	(-)	(1.97)

Previous year figures are in brackets

Particulars	Nature of Service	Year Ended March 31, 2021	Year Ended March 31, 2020
Akshaya Patra Foundation, Bengaluru	NGO run school meal programme facilitating education of underprivileged children in India.	0.10	0.40
International Institute of Information Technology (IIIT), Bengaluru	A vision to contribute to the IT world by focusing on education and research, entrepreneurship and innovation education, research offering training oriented towards producing highly qualified practitioners and researchers.	0.25	0.25
Sri Aurobindo Society, Puducherry	Project Inclusion aims to bring children with hidden disability who are unable to cope-up with the World around by giving them equal and quality education and aims to bring such children in forefront and makes Inclusive education a reality.	0.20	0.40
Ict Academy Of Tamilnadu	Developing the next generation teachers and industry ready students aligned to the Skill India Vision of the Government of India	0.15	0.50
Selco Foundation	Improving the education in rural schools by programs powered by renewable energy by providing solar powered digital education to rural schools	-	0.05
Deshpande Foundation	Supports innovation for scalable impact for a sustainable, scalable social and economic impact through innovation and entrepreneurship	0.15	0.26
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.	0.13	-
Chief Minister Relief Fund-Covid19	A support fund established by State Government to fight the pandemic disease Covid-19	-	0.11
Total qualifying expenditure on corporate social responsibility		0.98	1.97

Note No. 36: Details of investments given as per Section 186 of the Companies Act, 2013

Details of investments (gross)

in ₹ crore

Particulars	Relationship	Purpose	March 31, 2021	March 31, 2020
Deposits with financial institutions				
Bajaj Finance	None	Investments in Term Deposits	60.00	60.00
HDFC Limited	None	Investments in Term Deposits	48.00	25.00
			108.00	85.00

Note No. 37: Details of amounts rounded off

	Particulars	As at	
		March 31, 2021	March 31, 2020
1.	Property, plant and equipment (Refer Note No. 4(a))		
	a) Deletions		
	Computing Equipment	-	47,900/-
	b) Accumulated depreciation on deletions		
	Electrical Installation	-	20,414/-
	Computing Equipment	-	23,857/-
2.	Investment in ELCIA ESDM Cluster (Refer Note No. 5)	11,000/-	11,000/-
3.	ICICI Bank (Refer Note No. 7)	-	39,983/-
4.	Effects of exchange rate changes on the balance of cash held in foreign currencies	4,616/-	-

Note No. 38: Dividend

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 2021, the Board has reviewed and decided not to recommend any dividend.

Note No. 39: Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, uncertainties caused by the pandemic has resulted in some delays in customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilises.

The Company does not have borrowings as at year end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic.

Assessing the impact assessment of COVID-19 is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

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

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

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

Mohan Danivas S A
Partner
Membership no: 209136

Balakrishnan V
Chairman and Director
(DIN:02825465)

Sanjay Nayak
CEO and Managing Director
(DIN:01049871)

Chandrashekar Bhaskar Bhave
Director
(DIN:00059856)

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

Place: Bengaluru
Date: April 21, 2021

Venkatesh Gadiyar
Chief Financial Officer

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

TEJAS® NETWORKS

TEJAS NETWORKS LIMITED

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Bengaluru, Karnataka - 560100

Tel : 080 4179 4600

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June 01, 2021

Dear Shareholder(s),

You are cordially invited to attend the 21st Annual General Meeting of the Shareholders of Tejas Networks Limited ("the Company") to be held on Friday, June 25, 2021, at 3.00 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/-
Balakrishnan V
Chairman

Enclosures:
1. Notice of the 21st 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
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 21st Annual General Meeting ("AGM") of the Shareholders of Tejas Networks Limited (the "Company") will be held on Friday, June 25, 2021 at 3.00 P.M (IST) through VC/OAVM to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To receive, consider and adopt

The Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.

2. Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation

To re-appoint Sanjay Nayak, who retires by rotation and being eligible, offers himself for re-appointment and to pass with or without modification(s) the following resolution as an **Ordinary resolution:**

"**RESOLVED THAT** Sanjay Nayak (DIN: 01049871) who retires by rotation and being eligible for re-appointment, be and is hereby re-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 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."

SPECIAL BUSINESS

3. Ratification of the Remuneration of Cost Auditors

To consider and if thought fit to pass, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Shareholders hereby ratifies the remuneration of ₹ 1,50,000/- (Rupees One lakh fifty thousand only) plus taxes and reimbursement of out of-pocket expenses incurred in connection with the cost audit, payable to GNV & Associates, Cost & Management Accountants, Bangalore (Firm Registration Number 000150), who are appointed by the Board of Directors of the Company, as Cost Auditors, to conduct the audit of the cost records maintained by the Company for the financial year ended March 31, 2021.

"**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."

4. Approval of payment of Remuneration to the Non-Executive and Independent Directors

To consider and, if thought fit, to pass, with or without modification, the following resolutions as an **Ordinary Resolution**

"**RESOLVED THAT** in supersession of all earlier resolutions passed by the Shareholders with respect to payment of remuneration to Non-Executive and Independent Directors, consent of the Shareholders of the Company be and is hereby accorded, pursuant to the provisions of Section 149(9), Section 197, Section 198 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), for payment of remuneration to the Non-Executive and Independent Directors (existing or proposed to be appointed in future) in any financial year shall be as under:

1. Where the Company has profits in a financial year – The remuneration payable either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, (in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof) such sum by way of commission as the Board and/or a Committee thereof may determine from time to time, but not exceeding 1% (one percent) 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 with effect from financial year ended March 31, 2021.

2. Where the Company has no profits or its profits are inadequate in a financial year- The remuneration, (in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof), shall not exceed the ceilings provided under Section II of Part II of Schedule V to the Companies Act, 2013 with effect from financial year ended March 31, 2021.

"**RESOLVED FURTHER THAT** the consent of the Shareholders of the Company is accorded to the Board of Directors of the Company including Nomination and Remuneration Committee 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 including payment of such remuneration for any period or period."

By Order of the Board
Sd/-
N R Ravikrishnan
General Counsel,
Chief Compliance Officer and Company Secretary
ACS Membership No: 7875

April 21, 2021
Bengaluru

Notes:

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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the business under Item 2 to 4 of the Notice is annexed hereto. The relevant details, pursuant to Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed.

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 i.e. BSE Limited and National Stock Exchange of India Limited 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 18, 2021 to June 25, 2021 (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 www.tejasnetworks.com/disclosures.php. Shareholders are requested to submit the details to their Depository Participants ("DPs") in case the shares are held by them in electronic form, and to the Registrar and share transfer agents ("RTA"), Link Intime India Private Limited, in case the shares are held in physical form.

7. 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.

8. 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, bank 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.

9. 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.

10. 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.

11. Shareholders 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.

12. 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.

13. Attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs. 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 08, 2019.

14. 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 25, 2021. Shareholders seeking to inspect such documents can send an email to agm@tejasnetworks.com.

15. SEBI has mandated the submission of PAN by every participant in securities market. Shareholders holding shares in electronic form are therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to the RTA of the Company.

16. 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 20, 2021 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.

17. Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

18. Brief profile and other required information about the Director proposed to be re-appointed and continuation of directorship as required under SEBI Listing Regulations is attached to this Notice.

19. 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.

20. The remote voting through electronic means will commence on June 20, 2021 at 9.00 am (IST) and will end on June 24, 2021 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.

21. 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 18, 2021 may opt to vote via remote electronic voting process.

22. 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.

23. 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.

24. 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 Shareholder of the Company after dispatch of the notice and holding shares as of the cut-off date June 18, 2021 may obtain the login ID and password by sending a request to evoting@nsdl.co.in.

25. 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.

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 21st 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. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
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 Members 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 Members 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 Members 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. Members 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 Shareholder/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. Members 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 20, 2021. 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 20, 2021 at 9:00 A.M. and ends on June 24, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e June 18, 2021, 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 18, 2021.

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. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website 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 'Shareholder/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.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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: Members 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	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method 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 'Shareholder/ 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 Members 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 Members 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 Members 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) Members 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.
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.: 1800 1020 990 and 1800 22 44 30 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 shareholder, 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 shareholder/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.

Explanatory statement

As required under section 102(1) of the Act, the following explanatory statement sets out all material facts relating to business mentioned under Items No. 2 to 4 of the accompanying Notice:

Item No. 2 – Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation.

This explanatory statement is provided though not mandated under Section 102 of the Companies Act, 2013.

Based on the terms of appointment, Executive Directors and Non-Executive and Non-Independent Directors are subject to retirement by rotation. Sanjay Nayak (DIN: 01049871) being the longest serving member on the Board retires by rotation and being eligible seeks re-appointment. To the extent Sanjay Nayak is required to retire by rotation, he would need to be re-appointed as a Director.

The details including qualifications, no. of. shares held in the Company and other directorships etc. of Sanjay Nayak has been given in the annexure to this Notice.

The Board feels that the presence of Sanjay Nayak on the Board is desirable and would be beneficial to the Company and hence recommends the Resolution No. 2 of this Notice for approval of the Shareholders.

Except Sanjay Nayak and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is in any way, concerned or interested in the Resolution set out at Item No. 2 of this Notice.

Item No. 3 - Ratification of the remuneration of Cost Auditor.

The Company is required, under the provisions of Section 148(3) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s GNV & Associates, Cost Accountants, (Firm Registration Number 000150), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for approval of the remuneration of ₹ 1,50,000/- (Rupees One lakh Fifty Thousand Only) payable to the Cost Auditors, for the financial year ending March 31, 2021.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of the Notice.

Item No. 4 - Approval of payment of Remuneration to the Non-Executive and Independent Directors.

In accordance with Section 149, Section 197 and Section 198 and other relevant provisions of the Companies Act, 2013 ("Act"), the commission up to 1% of the net profits of the Company, computed in the manner provided under Section 198 of the Companies Act, 2013, may be paid to the Directors other than the Managing Director subject to the approval of Shareholders.

The Companies (Amendment) Act, 2020 amended the Section 149 (9) and Section 197 (3) of the Companies Act, 2013 permitting remuneration to be paid to the Non-executive Directors / Independent Directors in case of inadequacy or absence of profits. Prior to the amendment, Section 149 (9) of the Act provided for payment of commission to the Non-Executive and Independent Directors only if a company earned profits in that particular year and not otherwise. Further, Section 197 (3) also provided for payment of remuneration in case of a Company having no profits or inadequate profits in terms of Schedule V only to the Managerial Personnel. Acknowledging the crucial role played by the Non-Executive and Independent Directors in bringing objectivity into the functioning of the Board and improving its effectiveness, the Company Law Committee in its Report recommended for compensating Non-Executive and Independent Directors along with the Executive Directors. In view of the said recommendations, Ministry of Corporate Affairs, with effect from March 18, 2021, have amended Section 149 (9), Section 197 (3) and Schedule V providing for the companies having no profit or inadequate profit to pay remuneration to the Non-Executive Directors / Independent Directors from financial year ended March 31, 2021.

Considering the rich experience and expertise brought into the Board by the Non-Executive and Independent Directors and also crucial role played by the Non-Executive and Independent Directors, the Board of Directors in their meeting held on April 21, 2021, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of Shareholders have proposed to remunerate, in case of no profit or inadequacy of profits, the Non-Executive Directors / Independent Directors by way of remuneration, subject to the ceilings provided under Section II of Part II of Schedule V to the Companies Act, 2013 with effective from financial year ended March 31, 2021.

The approval of the Shareholders is sought by way of an Ordinary Resolution under the applicable provisions of the Companies Act, 2013 for the following:

1. Where the Company has profits in a financial year - Payment of commission, in case of net profits (in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof), not exceeding 1% (one percent) 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 with effect from financial year ended March 31, 2021.

2. Where the Company has no profits or its profits are inadequate in a financial year - Payment of remuneration, in case of no profit or inadequate profits (in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof), subject to the ceilings provided under Section II of Part II of Schedule V to the Companies Act, 2013 with effect from financial year ended March 31, 2021.

The Board recommends the resolution set out at Item No. 4 of this Notice to the Shareholders for their consideration and approval by way of Ordinary Resolution.

None of the Executive Directors and Key Managerial Personnel of the Company or their relatives are not concerned or interested financially or, otherwise, in the resolution set out at item No. 4 of the Notice. The Non-Executive and Independent Directors or their relatives may be deemed to be concerned or interested in the resolution set out at Item No.4 to the extent of remuneration or fees that may be received by them.

By Order of the Board
Sd/-
N R Ravikrishnan
General Counsel,
Chief Compliance Officer and Company Secretary
ACS Membership No: 7875

April 21, 2021
Bengaluru

Details of the Director seeking re-appointment of office at the Annual General Meeting

Sanjay Nayak

Managing Director & CEO

Sanjay Nayak has several years of experience in the field of telecommunication and networking, electronics and software. Prior to Tejas Networks, Sanjay was Managing Director of Synopys (India) Private Limited. He received the "Technovation Sarabhai Award" from India Electronics and Semiconductor Association (IESA) and the "Electronics Man of the Year" from ELCINA, "CNBC Awaaz CEO of the Year 2019- Technology" and has been inducted as a Fellow of Indian National Academy of Engineering (INAE). He is currently the Chairman of FICCI's Science, Technology and Innovation Council was the Co-Chairman of India's Telecom Equipment and Services Export Promotion Council (TEPC).

Director Identification Number (DIN)	01049871
Date of Birth	June 28, 1964
Nationality	Indian
Date of appointment on the Board (Original)	April 24, 2000
Shares held as on March 31, 2021	27,00,529
Qualifications	• M.S (Computer Engineering)- North Carolina University, Raleigh N.C, USA • B.Sc (Engineering) - Birla Institute of Technology, Mesra
Directorship held in other public companies (excluding foreign companies and Section 8 companies)	Nil
Memberships/ Chairmanships of other committees of other public companies (include only Audit Committee and Stakeholders Relationship Committee)	Nil
Relationship between Directors/ Key Management Personnel and their relatives	Not related to any Directors/ Key Management Personnel and their relatives

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.