

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the consolidated annual financial results of Tejas Networks Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company, its subsidiaries together referred to as "the Group"), (Refer note 1 to the consolidated annual financial results) for the year ended March 31, 2023 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') which has been initialled by us for identification purposes.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:
 - (i) include the annual financial results of the following entities
 - a) Tejas Networks Limited
 - b) Tejas Communications Pte. Ltd, Singapore
 - c) Tejas Communications (Nigeria) Limited
 - d) Saankhya Labs Private Limited
 - e) Saankhya Strategic Electronics Private Limited
 - f) Saankhya Labs Inc, USA
 - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group, for the year ended March 31, 2023 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

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



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

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Report on the Consolidated Financial Results

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Board of Directors' Responsibilities for the Consolidated Financial Results

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

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

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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INDEPENDENT AUDITOR'S REPORT

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 13 below)
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
10. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



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Other Matters

11. We did not audit the financial information of one subsidiary included in the consolidated financial results, whose financial information reflect total assets of Rs. 3.87 crores and net assets of Rs. 0.97 crores as at March 31, 2023, total revenues of Rs. 2.84 crores and Rs. Nil, total net (loss) after tax of Rs. (0.96) crores and Rs. (0.08) crores, and total comprehensive income/ (loss) of Rs. (0.99) crores and Rs. 0.10 crores for the for the year ended March 31, 2023 and for the quarter ended March 31, 2023 respectively, and cash outflows (net) of Rs. 4.37 crores for the year ended March 31, 2023, as considered in the consolidated financial results. The financial information has been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 10 above.
12. The consolidated financial results includes the unaudited financial information of three subsidiaries, whose financial information reflect total assets of Rs. 29.37 crores and net assets of Rs. 18.74 crores as at March 31, 2023, total revenue of Rs. 20.50 crores and Rs. 15.12 crores, total net profit after tax of Rs. 0.53 crores and Rs. 0.30 crores, and total comprehensive income/ (loss) of Rs. (0.36) crores and Rs. 0.14 crores for the year ended March 31, 2023 and for the quarter ended March 31, 2023 respectively, and cash inflows (net) of Rs. 1.47 crores for the year ended March 31, 2023, as considered in the consolidated financial results. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the three 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.
12. The consolidated financial results include the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year reviewed by us. The consolidated financial results for the quarter ended March 31, 2023 are neither subject to limited review nor audited by us.
13. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited consolidated financial statements of the group, for the year ended March 31, 2023 on which we have issued an unmodified audit opinion vide our report dated April 21, 2023.

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



Mohan Danivas S A
Partner

Membership No: 209136

UDIN: 23209136BGXTWM7089

Place: Bengaluru

Date: April 21, 2023



Tejas Networks Limited

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

Statement of Consolidated Financial Results for the quarter and year ended March 31, 2023

(Rs. in crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31,	December 31,	March 31,	March 31,	March 31,
	2023	2022	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Audited	Audited
	(Refer note - 11)		(Refer note - 11)		
I Revenue from operations	299.32	274.55	126.50	919.57	550.59
II Other Income	21.27	21.00	14.36	81.01	43.30
III Total income (I + II)	320.59	295.55	140.86	1,000.58	593.89
IV EXPENSES					
(a) Cost of materials consumed	190.54	160.54	70.86	533.87	290.74
(b) Purchases of stock in trade	5.99	9.82	5.47	31.82	23.69
(c) Changes in inventories of stock in trade	0.71	(2.58)	(0.33)	(4.99)	(3.65)
(d) Employee benefit expense	77.52	68.66	41.35	232.65	134.43
(e) Finance costs	4.65	4.74	0.25	15.20	3.19
(f) Depreciation and amortization expense	35.47	33.62	21.89	122.50	76.78
(g) Allowance for expected credit loss	(7.60)	(12.42)	68.49	(32.97)	87.76
(h) Other expenses	40.35	42.52	28.77	145.15	98.08
Total Expenses (IV)	347.63	304.90	236.75	1,043.23	711.02
V Profit/(Loss) before tax (III - IV)	(27.04)	(9.35)	(95.89)	(42.65)	(117.13)
VI Income tax expense/(benefit)					
(1) Current tax expense/(benefit)	(0.32)	(0.47)	9.77	(0.32)	0.19
(2) Deferred tax expense/(benefit)	(15.25)	6.27	(56.04)	(5.92)	(54.61)
Total tax expense/(benefit)	(15.57)	5.80	(46.27)	(6.24)	(54.42)
VII Profit/(Loss) after tax (V - VI)	(11.47)	(15.15)	(49.62)	(36.41)	(62.71)
VIII Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	0.89	(1.00)	0.27	(3.29)	(2.08)
Income tax relating to above	0.11	(0.53)	(0.41)	0.14	-
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	0.45	(0.07)	(0.34)	0.73	0.89
Total comprehensive income/(loss) for the period (VII + VIII)	(10.02)	(16.75)	(50.10)	(38.83)	(63.90)
X Earnings/(Loss) per equity share					
Equity shares of par value Rs. 10 each					
(1) Basic	(0.70)	(0.99)	(4.34)	(2.46)	(5.97)
(2) Diluted (Refer Note - 12)	(0.70)	(0.99)	(4.34)	(2.46)	(5.97)



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Consolidated Statement of Assets and Liabilities

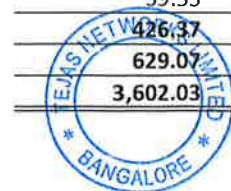
(Rs. in crore)

Particulars	As at	
	March 31, 2023 Audited	March 31, 2022 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	85.05	40.09
Right-of-use assets	44.29	14.56
Intangible assets	305.67	83.20
Intangible assets under development	153.58	39.61
Goodwill	211.81	-
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	19.10	7.07
(iii) Other financial assets	7.04	5.71
Current Tax Asset (net)	31.71	35.63
Deferred Tax Assets (net)	42.09	111.33
Other non-current assets	34.37	23.19
Total non - current assets	934.71	360.39
Current assets		
Inventories	646.86	278.02
Financial assets		
(i) Investments	262.24	401.78
(ii) Trade receivables	498.93	285.09
(iii) Cash and cash equivalents	85.39	47.56
(iv) Bank balances other than (iii) above	656.42	299.68
(v) Other financial assets	337.14	363.16
Other current assets	180.34	74.44
Total current assets	2,667.32	1,749.73
Total assets	3,602.03	2,110.12
EQUITY AND LIABILITIES		
Equity		
Equity share capital	171.64	117.82
Other equity	2,801.32	1,812.43
Total equity	2,972.96	1,930.25
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	43.90	11.95
Other financial liabilities [Refer Note - 9(b)]	156.68	-
Provisions	2.12	0.49
Total non - current liabilities	202.70	12.44
Current liabilities		
Financial liabilities		
Borrowings		
(i) Lease liabilities	5.92	7.81
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	26.00	11.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	275.02	100.09
(iii) Other financial liabilities	67.77	22.48
Provisions	12.11	6.92
Other current liabilities	39.55	18.65
Total current liabilities	426.37	167.43
Total liabilities	629.07	179.87
Total equity and liabilities	3,602.03	2,110.12

* Amount below the rounding off norm adopted by the Company



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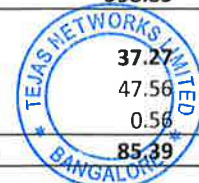


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Consolidated statement of Cash Flows for the year ended March 31, 2023

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	Audited	Audited
Cash flows from operating activities		
Profit/(Loss) before tax	(42.65)	(117.13)
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	122.50	76.78
Allowance for expected credit loss (net)	(32.97)	87.76
Interest Income	(58.56)	(26.76)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	(0.63)	(0.48)
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(18.83)	(8.57)
Finance costs recognized in profit or loss	15.20	3.19
Unrealised Exchange Difference on cash held in foreign currencies	(0.56)	0.22
Unrealised Exchange Difference (Net)	(0.22)	(0.16)
Loss/ (profit) on sale of property, plant and equipment	(0.01)	(0.01)
Expense recognized in respect of equity-settled share-based payments	59.84	11.20
	43.11	26.04
Movements in working capital:		
(Increase)/decrease in inventories	(354.00)	(64.37)
(Increase)/decrease in trade receivables	(169.06)	35.83
(Increase)/decrease in other financial assets	(22.00)	(7.93)
(Increase)/decrease in other assets	(102.66)	(33.94)
Increase/(decrease) in trade and other payables	177.00	18.79
Increase/(decrease) in provisions	0.51	(0.69)
Increase/(decrease) in other financial liabilities	32.98	(28.94)
Increase/(decrease) in other liabilities	2.52	8.60
Cash used in operations	(391.60)	(46.61)
Income taxes refund	11.29	29.28
a) Net cash used in operating activities	(380.31)	(17.33)
Cash flows from investing activities		
Expenditure on property, plant and equipment	(46.48)	(30.74)
Expenditure on intangible assets (including under development)	(202.52)	(86.61)
Sale proceeds of property, plant and equipment	0.05	0.01
Investments in Deposits with banks	(714.94)	(271.56)
Investments in Deposits with financial institutions	-	(976.79)
Withdrawals of Deposits from banks	359.79	136.13
Withdrawals of Deposits from financial institutions	51.79	733.00
Investments in mutual funds	(3,962.89)	(2,369.67)
Redemption of mutual funds	4,121.89	2,014.32
Payment for acquisition of subsidiary, net of cash and cash equivalents acquired	(240.18)	-
Interest received	52.22	24.16
b) Net cash used in investing activities	(581.27)	(827.75)
Cash flows from financing activities		
Proceeds from exercise of restricted stock units/employee stock options	8.83	11.44
Proceeds from Issue of equity shares through Private Placement (Net of Issue Expenses)	1,012.50	499.81
Proceeds from Issue of Share Warrants	-	337.50
Non controlling interest	-	0.00
Principal payment of lease liabilities	(7.45)	(6.24)
Interest payment of lease liabilities	(4.36)	(2.10)
Finance costs paid	(10.67)	(0.98)
c) Net cash generated from financing activities	998.85	839.43
d) Net increase/(decrease) in cash and cash equivalents	37.27	(5.65)
Cash and cash equivalents at the beginning of the year	47.56	53.43
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.56	(0.22)
Cash and cash equivalents at the end of the year	85.39	47.56



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Notes

- 1 The Statement of consolidated financial results includes the results of Tejas Networks Limited ('the Company' or 'the Holding Company') and the following subsidiaries (collectively referred as 'the Group' hereinunder):

Subsidiaries:

- Tejas Communication Pte. Limited, Singapore
 - Saankhya Labs Private Limited
 - Tejas Communications (Nigeria) Limited, Nigeria
 - Saankhya Strategic Electronics Private Limited
 - Saankhya Labs Inc, USA
- 2 This Statement of Consolidated Financial Results for the quarter and year ended March 31, 2023 has been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standard prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, read with the relevant rules issued thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
- 3 The Group's operations comprise of only one segment viz. Networking equipment.
- 4 The spread of COVID-19 had severely impacted businesses around the globe. As at March 31, 2023, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets and has concluded that no adjustments are considered necessary in these standalone financial results, arising from COVID-19.

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

Particulars	(Rs. in crore)				
	Quarter ended March 31, 2023	Quarter ended December 31, 2022	Quarter ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenues from operations	284.39	253.29	125.50	869.08	549.14
Profit/(Loss) before tax	(6.06)	11.18	(96.91)	11.29	(118.15)
Profit/(Loss) after tax	(4.95)	5.39	(50.64)	3.04	(63.73)

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

- 6 a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees and employees of its subsidiaries at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended March 31, 2023, an amount of Rs. 23.87 crore (March 31, 2022: Rs. 3.82 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at March 31, 2023, aggregates to 38,67,348 (March 31, 2022: 17,34,425).
- b) Saankhya Labs Private Limited has, at various grant dates issued stock options under different Employee Stock Option Plans to its employees at exercise price for Rs. 10. For the quarter ended March 31, 2023, an amount of Rs. 0.29 crore has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The ESOPs granted and outstanding as at March 31, 2023, aggregates to 10,06,120.

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7 Issue of Equity shares and Warrants through Preferential allotment

During the year ended March 31, 2022, the Company made preferential allotment, based on the approval of the Board of Directors, as follows:

- 1,93,79,845 equity shares, having face value of Rs. 10/- each, at a price of Rs. 258 per Equity Share, aggregating to Rs. 500 crore ("Subscription Shares");
- 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 950 crore ("Series A Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants ("Series A Warrants"); and
- 1,55,03,876 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 400 crore ("Series B Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing after the expiry of 12 (twelve) months from the date of allotment of the warrants until expiry of 18 (eighteen) months from the date of allotment of the warrants ("Series B Warrants");

on terms and conditions as determined by the Board in accordance with the SEBI (ICDR) Regulations and other applicable laws, and as set out in the share subscription agreement executed between the Company and Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

The Company on September 7, 2021 received a total amount aggregating to Rs. 837.50 crore, which includes exercise price on subscription shares amounting to Rs. 500 crore and 25% of the Series A Warrants and Series B Warrants amounting to Rs. 237.50 crore and Rs. 100 crore respectively.

In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at Rs. 258/- per equity share. The open offer tendering commenced on October 11, 2021 and ended During the quarter ended June 30, 2022, Panatone Finvest Limited exercised the right attached to the Series A Warrants and subscribed to the equity shares by remitting the balance 75% of the Exercise Price of Series A Warrant amounting to Rs. 712.50 crore. On April 8, 2022, the Company allotted 3,68,21,706 equity shares upon exercise of warrants.

On February 03, 2023 Panatone Finvest Limited exercised the right attached to the Series B Warrants and subscribed to the equity shares by remitting the balance 75% of the exercise price of Series B Warrant amounting to Rs. 300 crores. On February 6, 2023, the Company allotted 1,55,03,876 equity shares upon exercise of such warrants.

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

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

As a result of acquisition of controlling interest by the Company in Saankhya and by Saankhya Labs in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated results for the Quarter and Year ended March 31, 2023 includes the contribution from those entities as below:

Particulars	Quarter ended	Year ended
	March 31, 2023	March 31, 2023
Revenue from Operations	14.67	49.48
Profit / (Loss) before Tax	(14.48)	(33.25)
Profit / (Loss) after Tax	(4.50)	(23.23)

Results for the quarter and year ended March 31, 2023, include the impact of the above transaction and are not comparable with previous corresponding periods.

The fair value of assets and liabilities acquired were provisionally determined by the Company and accounted for in accordance with IND AS 103 – "Business Combination" until quarter ended December 31, 2022. As per Ind AS 103, such adjustments need to be completed within the measurement period (i.e 1 year from the date of acquisition). In accordance with the Standard, the Company has made adjustments to the provisional amounts in the quarter ended March 31, 2023 as if the business combination have been completed on the acquisition date (i.e. July 1, 2022). The impact on account of completion of, determination of the assets and liabilities have been accordingly incorporated in the numbers for the quarter ended December 31, 2022.



For identification purpose only



Tejas Networks Limited

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

- 9 a) The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the Draft Scheme of Amalgamation of Saankhya Labs and SSE, with the Company and the respective stakeholders (the "Scheme"). The Company has filed the scheme with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 30, 2022. Upon implementation of the scheme, the shareholders holding remaining 35.60% equity shares in Saankhya Labs Private Limited will be issued 112 equity shares of the Company for every 100 equity shares held in Saankhya Labs Private Limited.
- The Scheme is subject to receipt of necessary approvals from the National Company Law Tribunal (NCLT), Stock Exchanges, the Securities and Exchange Board of India (SEBI), Shareholders, Creditors and such other persons and authorities, as may be required. Till such approvals are received, Saankhya Labs and Saankhya Strategic will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.
- b) As per the Shareholders agreement ("SHA"), in the event the merger is not completed within the "Merger Long Stop Date", the Company shall purchase and the remaining shareholders of Saankhya Labs Private Limited shall sell the equity shares to the Company, as per terms provided for in SHA.
- As the contract contains an obligation for the entity to deliver cash in exchange for its own equity shares (Non-Controlling interest), such an obligation is in the nature of financial liability under the provisions of Ind AS 32 "Financial instruments- Presentation". Hence, a financial liability has been recognized in the consolidated financial results and Statement of Assets and Liabilities.
- 10 The Company has received approval from the Department of Telecommunication under the Production Linked Incentive (PLI) Scheme communicated vide SIDBI's (Project Management Agency) letter dated October 31, 2022. The estimated incentive claim of Rs. 32.57 crore has not been recognised during the year ended March 31, 2023, as the Company is in the process of evaluating its entitlement of the incentive based on investments made, revenues generated and other conditions required to be met before filing its claim for the incentive.
- 11 The figures for the quarters ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subjected to review by the statutory auditors.
- 12 Potentially issuable equity shares, on account of Share Options/RsUs issued to employees and share warrants, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share if they are anti-dilutive for the period presented.
- 13 Previous period's figures have been regrouped/reclassified wherever necessary, to confirm with the current period's presentation for the purpose of comparability.
- 14 The above statement of consolidated financial results, statement of assets and liabilities and statement of cashflows was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on April 21, 2023.
- 15 The Board, based on the recommendations of Nomination and Remuneration Committee, subject to the approval of the Shareholders and Central Government, if any, appointed Mr. Anand S Athreya (DIN: 10118880) as Additional Director, Executive Director (Managing Director and CEO designate) from April 21, 2023 to June 20, 2023 and as Managing Director and CEO from June 21, 2023 to April 20, 2028.

For and on behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)



For identification purpose only

Place: Bengaluru
Date: April 21, 2023