



Press Release

Tejas Networks announces consolidated results for quarter ended December 31, 2022
Q3 23 revenue was Rs. 274.6 crore and 9M 23 revenue was Rs. 620.3 crore
Q3 23 Net loss was Rs. 10.9 crore and 9M 23 loss was Rs. 16.4 crore

Bengaluru, February 06, 2023: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the third quarter ended December 31, 2022. Tejas Networks designs, develops, manufactures and sells high-performance telecom and networking products, which are used to build high-speed communication networks.

For Q3-FY23, consolidated net revenue was Rs. 274.6 crore, which was a YoY increase of 156.4%, resulting in a loss before tax of Rs. 5.1 crore as compared to loss of Rs. 32.9 crore, for corresponding previous period. Loss after tax was Rs. 10.9 crore as compared to a loss of Rs. 24.3 crore for corresponding previous period. Effective Q2-FY23 Saankhya Labs and its subsidiaries (Saankhya) financials have been consolidated - and the above revenue includes Rs. 21 crore from Saankhya - for Q3-FY23.

For 9M-FY23, consolidated net revenue was Rs. 620.3 crore, which was a YoY increase of 46.3%, resulting in a loss before tax of Rs. 7.1 crore as compared to a loss of Rs. 21.2 crore, for corresponding previous period. Loss after tax was Rs. 16.4 crore as compared to a loss of Rs. 13.1 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We continue to see strong business momentum with a robust order book of Rs 1,431 crore and a good pipeline of large orders for our optical as well as wireless products. Our revenue growth has been constrained due to shortages of semiconductor chips, many of which still have long-lead times. To mitigate this, we have re-engineered and improved our supply chain processes which has resulted in consistent revenue growth. We continue to increase our investments, especially in the 4G/5G products, in line with our business growth plans".

Mr. Venkatesh Gadiyar, CFO said, "As on December 31, 2022 our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, were at Rs. 1,221 crore and we continue to be a debt-free Company. On February 03, 2023 we have received an investment of Rs 300 crore from Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited.), towards final subscription of Series-B Warrants, for which equity shares have been allotted on February 06, 2023."

As on December 31, 2022, Tejas and its subsidiaries have filed for 443 patents of which 191 have been granted.



About Tejas Networks Limited

Tejas Networks Ltd. designs and manufactures high-performance wireline and wireless networking products for telecommunications service providers, internet service providers, utilities, defence and government entities in over 75 countries. Tejas Networks Ltd. is a part of the Tata Group, with Panatone Finvest Ltd. (a subsidiary of Tata Sons Pvt. Ltd.) being the majority shareholder.

For more information, visit Tejas Networks Ltd. at <http://www.tejasnetworks.com> or contact Investor Relations: ir@india.tejasnetworks.com
Attn: Mr. Santosh Kesavan: skeshavan@india.tejasnetworks.com Phone: +91 80 41794600

SAFE HARBOUR

Certain statements in this release 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.



Tejas Networks Limited and subsidiaries
Abstract of Consolidated Balance Sheet as at

(in Rs. crore)

	December 31, 2022	March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	75.51	40.09
Right-of-use assets	46.67	14.56
Intangible assets	81.75	83.20
Intangible assets under development	121.85	39.61
Goodwill	355.23	-
Financial assets		
Trade receivables	10.46	7.07
Other financial assets ¹	8.59	5.71
Current tax asset (net)	40.81	35.63
Deferred Tax Asset	103.77	111.33
Other non-current assets	32.90	23.19
Total non - current assets	877.54	360.39
Current assets		
Inventories	493.75	278.02
Financial assets		
Investments ²	222.16	401.78
Trade receivables	489.84	285.09
Cash and cash equivalents ³	51.80	47.56
Other bank balances ⁴	620.10	299.68
Other financial assets ⁵	356.81	363.16
Other current assets	147.92	74.44
Total current assets	2,382.38	1,749.73
Total assets	3,259.92	2,110.12
EQUITY AND LIABILITIES		
Equity		
Equity share capital	156.06	117.82
Other equity	2,511.18	1,812.43
Total equity	2,667.24	1,930.25
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	44.98	11.95
Other financial liabilities	153.60	-
Provisions	3.08	0.49
Total non - current liabilities	201.66	12.44
Current liabilities		
Financial liabilities		
Lease Liabilities	6.71	7.81
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	26.40	11.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	287.34	100.09
Other financial liabilities	23.44	22.48
Provisions	17.80	6.92
Other current liabilities	29.33	18.65
Total current liabilities	391.02	167.43
Total equity and liabilities	3,259.92	2,110.12

Supplementary Information

(in Rs. crore)

	December 31, 2022	March 31, 2022
Cash and Cash Equivalents as at		
¹ Other non current financial asset includes Fixed Deposits with banks with remaining maturity of more than twelve months	-	0.22
² Investments includes Investment in mutual funds	222.16	401.78
³ Cash and cash equivalents	51.80	47.56
⁴ Other bank balances	620.10	299.68
⁵ Other current financial asset includes Deposits with financial institutions	325.00	351.79
⁵ Other current financial asset includes Fixed Deposits with banks with original maturity of more than twelve months but remaining maturity of less than twelve months	2.07	1.15
Total	1,221.13	1,102.18



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended Dec 31, 2022	Quarter ended Sep 30, 2022	Quarter ended Dec 31, 2021	Nine months ended Dec 31, 2022	Nine months ended Dec 31, 2021	Year ended Mar 31, 2022
Revenue from operations	274.55	219.94	107.06	620.25	424.09	550.59
Other Income	21.00	20.05	16.39	59.74	28.94	43.30
Total Income	295.55	239.99	123.45	679.99	453.03	593.89
Expenses						
Cost of materials consumed	160.54	115.39	62.88	343.33	219.88	290.74
Purchases of stock in trade	9.82	7.08	7.14	25.83	18.22	23.69
Changes in inventories of stock in trade	(2.58)	(3.40)	(1.65)	(5.70)	(3.32)	(3.65)
Employee benefit expense	68.66	48.51	31.36	155.13	93.08	134.43
Finance costs	4.74	4.87	0.78	10.55	2.94	3.19
Depreciation and amortization expense	29.35	25.82	20.22	78.54	54.89	76.78
Allowance for expected credit loss	(12.42)	(8.24)	12.97	(25.37)	19.27	87.76
Other expenses	42.52	39.06	22.66	104.80	69.31	98.08
Total Expenses	300.63	229.09	156.36	687.11	474.27	711.02
Profit/(Loss) before tax	(5.08)	10.90	(32.91)	(7.12)	(21.24)	(117.13)
Current tax	-0.47	1.36	(11.21)	-	(9.58)	0.19
Deferred tax	6.27	8.47	2.60	9.33	1.43	(54.61)
Profit/(Loss) after tax	(10.88)	1.07	(24.30)	(16.45)	(13.09)	(62.71)
Other comprehensive income/(loss)	(1.60)	(2.44)	0.36	(3.87)	(0.71)	(1.19)
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation (Net of tax)	(1.53)	(2.57)	(0.41)	(4.15)	(1.94)	(2.08)
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(0.07)	0.13	0.77	0.28	1.23	0.89
Total comprehensive income/(loss) for the period	(12.48)	(1.37)	(23.94)	(20.32)	(13.80)	(63.90)
Earnings/(Loss) per equity share of Rs. 10 each						
Basic (Rs.)	(0.71)	0.07	(2.13)	(1.09)	(1.29)	(5.97)
Diluted (Rs.)	(0.71)	0.07	(2.13)	(1.09)	(1.29)	(5.97)
Weighted average equity shares used in computing earnings per equity share						
Basic	15,24,01,344	15,16,97,417	11,39,73,071	15,09,13,739	10,19,30,255	10,49,66,522
Diluted	15,24,01,344	16,38,91,737	11,39,73,071	15,09,13,739	10,19,30,255	10,49,66,522

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 Nine Months ended December 31, 2022 includes the contribution from those entities as below:

Particulars	Quarter ended Dec 31, 2022	Nine months ended Dec 31, 2022
Revenue from Operations	20.94	34.81
Profit / (Loss) before Tax	(13.46)	(18.77)
Profit / (Loss) after Tax	(13.45)	(18.73)