



Press Release

Tejas Networks announces consolidated results for quarter ended September 30, 2020
Q2 net revenue was Rs. 106.8 crore; Net Profit was Rs. 4.5 crore

Bengaluru, October 21, 2020: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the second quarter ended September 30, 2020. Tejas Networks designs, develops, manufactures and sells high-performance optical and data networking products, which are used to build high-speed communication networks.

For Q2 2021, consolidated net revenue was Rs. 106.8 crore, which was a YoY increase of 25.5%, resulting in a profit after tax of Rs. 4.5 crore, as compared to a loss of Rs. 4.4 crore for corresponding previous period.

For the half year ended September 30, 2020, net revenue was Rs. 184.2 crore, which was a YoY decline of 23.8%, resulting in a loss of Rs. 5.2 crore, as compared to a profit after tax of Rs. 1.5 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We had strong revenue growth in Q2 and we were profitable in this quarter. We continue to see good order inflow, resulting in an improvement in our order book to Rs. 599 crore, as on September 30, 2020. Our international revenues showed robust YoY growth of 64.2% during the first six months, led by growth in Africa and South-East Asia. With more people working remotely and many video services being accessed from homes, there has been a significant increase in data traffic on telecom networks globally, which is driving the demand for our equipment."

Mr. Venkatesh Gadiyar, CFO said, "We generated cash of Rs. 45 crore from operations during this quarter and our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, improved to Rs. 299 crore as on September 30, 2020. We also improved our working capital, despite payment delays from some Government customers, and we continue to be a debt-free Company. We expect to see further improvement in our financial performance during the second half of the year."

As on date, we have filed for 349 patents and during the quarter, we were granted 2 patents bringing our cumulative grant to 118 patents.

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About Tejas Networks Limited

Tejas Networks designs, develops and sells high-performance and cost-competitive networking products to telecommunications service providers, internet service providers, utilities, defence 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 349 patents.

For more information, visit Tejas Networks at <http://www.tejasnetworks.com> or contact

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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.

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

(in Rs. crore, except share data)

	September 30, 2020	March 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment	28.82	30.55
Right-of-use assets	18.64	21.29
Intangible assets	32.98	26.81
Intangible assets under development	39.50	26.99
Financial assets		
Trade receivables	74.64	80.28
Loans	5.36	5.61
Other financial assets	1.51	1.11
Current Tax Asset (net)	55.55	47.80
Deferred Tax Asset	41.70	41.70
Other non-current assets	6.76	6.97
Total non - current assets	305.46	289.11
Current assets		
Inventories	233.10	251.99
Financial assets		
Investments	77.55	50.97
Trade receivables	350.67	375.63
Cash and cash equivalents	63.01	66.48
Other bank balances	49.20	76.71
Loans	0.79	1.17
Other financial assets	109.66	91.59
Other current assets	40.67	37.50
Total current assets	924.65	952.04
Total assets	1,230.11	1,241.15
EQUITY AND LIABILITIES		
Equity		
Equity share capital	95.82	95.48
Other equity	985.80	985.46
Total equity	1,081.62	1,080.94
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	19.62	21.91
Provisions	0.88	0.59
Total non - current liabilities	20.50	22.50
Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	9.63	10.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	68.67	63.81
Lease liabilities	5.46	5.97
Other financial liabilities	32.39	42.27
Provisions	6.64	7.44
Other current liabilities	5.20	7.26
Total current liabilities	127.99	137.71
Total equity and liabilities	1,230.11	1,241.15

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Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended Sep 30, 2020	Quarter ended Jun 30, 2020	Quarter ended Sep 30, 2019	Six months ended Sep 30, 2020	Six months ended Sep 30, 2019	Year ended March 31, 2020
Revenue from operations	110.06	80.11	87.42	190.17	249.31	390.54
Other Income	8.11	4.34	6.89	12.45	13.94	33.65
Total Income	118.17	84.45	94.31	202.62	263.25	424.19
Expenses						
Cost of materials consumed	58.97	35.18	35.22	94.15	129.04	203.58
Employee benefit expense	26.28	26.87	22.57	53.15	49.03	110.52
Finance costs	1.02	0.94	2.51	1.96	5.95	7.72
Depreciation and amortization expense	11.84	13.78	18.24	25.62	35.83	77.05
Impairment of non-current assets	-	-	-	-	-	69.87
Allowance for expected credit loss	(0.82)	4.02	2.88	3.20	3.74	20.03
Other expenses	16.35	13.42	20.36	29.77	36.92	73.99
Total Expenses	113.64	94.21	101.78	207.85	260.51	562.76
Profit/(Loss) before tax	4.53	(9.76)	(7.47)	(5.23)	2.74	(138.57)
Current tax	-	-	(1.54)	-	0.66	-
Deferred tax	-	-	(1.55)	-	0.61	98.55
Profit/(Loss) after tax	4.53	(9.76)	(4.38)	(5.23)	1.47	(237.12)
Other comprehensive income/(loss)	0.68	(0.05)	0.62	0.63	0.55	(0.43)
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation	0.75	(0.05)	0.23	0.70	0.19	(1.07)
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(0.07)	-	0.39	(0.07)	0.36	0.64
Total comprehensive income/(loss) for the period	5.21	(9.81)	(3.76)	(4.60)	2.02	(237.55)
Earnings/(Loss) per equity share of Rs. 10 each						
Basic (Rs.)	0.49	(1.06)	(0.47)	(0.57)	0.16	(25.76)
Diluted (Rs.)	0.49	(1.06)	(0.47)	(0.57)	0.16	(25.76)
Weighted average equity shares used in computing earnings per equity share						
Basic	9,23,60,935	9,22,59,867	9,20,06,222	9,23,10,677	9,19,24,991	9,20,38,454
Diluted	9,26,64,459	9,22,59,867	9,20,06,222	9,23,10,677	9,43,51,737	9,20,38,454

Supplementary Information

Particulars	Quarter ended Sep 30, 2020	Quarter ended Jun 30, 2020	Quarter ended Sep 30, 2019	Six months ended Sep 30, 2020	Six months ended Sep 30, 2019	Year ended March 31, 2020
Revenue from operations	110.06	80.11	87.42	190.17	249.31	390.54
Less: Sale of Components	3.27	2.74	2.33	6.01	7.61	10.75
Revenue (net of component sales)	106.79	77.37	85.09	184.16	241.70	379.79
Year on Year Growth/(decline)	25.50%			-23.81%		

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