



Press Release

Tejas Networks announces consolidated results for quarter ended June 30, 2020
Q1 revenue was Rs. 77.4 crore; Net loss was Rs. 9.8 crore

Bengaluru, June 27, 2020: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the first quarter ended June 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 Q1 2021, our consolidated revenues (net of pass-through component sale) were Rs. 77.4 crore which was a YoY decline of 50.6% resulting in a loss after tax of Rs. 9.8 crore, as compared to a profit after tax of Rs. 5.9 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "Our revenues during the quarter were impacted due to COVID-19 lockdowns affecting our ability to fulfill customer orders. During the quarter, we saw strong new order intake of Rs. 188 crore, taking our total order book to Rs. 593 crores, which is the highest we had seen in the last 8 quarters. In addition, we secured wins from multiple Tier-1 operators for our GPON-based home-broadband products. As a leading pure-play telecom product company from India, we are well positioned to capitalize on the opportunities opening up due to Government of India's focus to create "Atmanirbhar Bharat".

Export revenues showed robust YoY growth of 52% during the quarter. In addition, we won over million dollar deals each, from 3 different international customers in Asia, Africa and Mid-east. We are seeing new opportunities coming our way, as our global customers look to de-risk and diversify their supply chain investments in the evolving geo-political environment."

Post-COVID, 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, which is driving demand for high-bandwidth broadband connections. Telecom operators are increasing their capex to address fiber-to-the-home broadband requirements and to augment the capacity of their optical networks-both of which are being addressed by Company's products.

"Our strong order book position even during the pandemic, is a clear testimony to the resilience of our business. We are more relevant to our customers today than in the past." said Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks.

Mr. Venkatesh Gadiyar, CFO said, "We continue to be a debt-free Company and our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, stood at Rs. 272 crore. We managed our working capital well, despite seeing certain payment delays from customers due to COVID-19 situation. While the uncertainty due to economic impact of COVID-19 remains, financially we are well positioned to invest in growth opportunities in front of us."

As on date, we have filed for 349 patents and have been granted 116 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.

of



Tejas Networks Limited and subsidiaries
Consolidated Balance Sheet as at

(in Rs. crore, except share data)

	June 30, 2020	March 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment	28.71	30.55
Right-of-use assets	19.97	21.29
Intangible assets	31.10	26.81
Intangible assets under development	31.64	26.99
Financial assets		
Trade receivables	80.93	80.28
Loans	5.33	5.61
Other financial assets	1.41	1.11
Income tax asset (net)	49.22	47.80
Deferred Tax Asset	41.70	41.70
Other non-current assets	6.76	6.97
Total non - current assets	296.77	289.11
Current assets		
Inventories	238.21	251.99
Financial assets		
Investments	88.32	50.97
Trade receivables	355.56	375.63
Cash and cash equivalents	56.57	66.48
Bank deposits with maturity of more than 3 months but less than 12 months	9.45	64.15
Balance held as margin money	22.02	12.56
Loans	0.75	1.17
Other financial assets	99.34	91.59
Other current assets	40.13	37.50
Total current assets	910.35	952.04
Total assets	1,207.12	1,241.15
EQUITY AND LIABILITIES		
Equity		
Equity share capital	95.61	95.48
Other equity	977.40	985.46
Total equity	1,073.01	1,080.94
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	20.81	21.91
Provisions	0.55	0.59
Total non - current liabilities	21.36	22.50
Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	10.62	10.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	49.65	63.81
Lease liabilities	5.66	5.97
Other financial liabilities	33.14	42.27
Provisions	7.98	7.44
Other current liabilities	5.70	7.26
Total current liabilities	112.75	137.71
Total equity and liabilities	1,207.12	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 Jun 30, 2020	Quarter ended Mar 31, 2020	Quarter ended Jun 30, 2019	Year ended March 31, 2020
Revenue from operations	80.11	54.57	161.89	390.54
Other Income	4.34	13.52	7.05	33.65
Total Income	84.45	68.09	168.94	424.19
Expenses				
Cost of materials consumed	35.18	31.56	93.82	203.58
Employee benefit expense	26.87	35.66	26.46	110.52
Finance costs	0.94	1.07	3.44	7.72
Depreciation and amortization expense	13.78	20.89	17.59	77.05
Impairment of non-current assets	-	69.87	-	69.87
Allowance for expected credit loss	4.02	17.41	0.86	20.03
Other expenses	13.42	18.16	16.56	73.99
Total Expenses	94.21	194.62	158.73	562.76
Profit before tax	(9.76)	(126.53)	10.21	(138.57)
Current tax	-	-	2.20	-
Deferred tax expense	-	-	2.16	98.55
Profit after tax	(9.76)	(126.53)	5.85	(237.12)
Other comprehensive income	(0.05)	(1.05)	(0.07)	(0.43)
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit obligation	(0.05)	(1.29)	(0.04)	(1.07)
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	-	0.24	(0.03)	0.64
Total comprehensive income for the period	(9.81)	(127.58)	5.78	(237.55)
Earnings per equity share of Rs. 10 each				
Basic (Rs.)	(1.06)	(13.73)	0.64	(25.76)
Diluted (Rs.)	(1.06)	(13.73)	0.61	(25.76)
Weighted average equity shares used in computing earnings per equity share				
Basic	9,22,59,867	9,21,75,744	9,18,42,866	9,20,38,454
Diluted	9,22,59,867	9,21,75,744	9,53,29,314	9,20,38,454

Supplementary Information

Particulars	Quarter ended Jun 30, 2020	Quarter ended Mar 31, 2020	Quarter ended Jun 30, 2019	Year ended March 31, 2020
Revenue from operations	80.11	54.57	161.89	390.54
Less: Sale of Components	2.74	1.89	5.28	10.75
Revenue (net of component sales)	77.37	52.68	156.61	379.79
Year on Year decline	-50.6%			

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