



Press Release

Tejas Networks announces consolidated results for quarter ended September 30, 2021
Q2 revenue was Rs. 172.8 crore and Net profit was Rs. 3.7 crore

Bengaluru, October 20, 2021: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the second quarter ended September 30, 2021. Tejas Networks designs, develops, manufactures and sells high-performance telecom and networking products, which are used to build high-speed communication networks.

For Q2-FY22, consolidated net revenue was Rs. 172.8 crore, which was a YoY increase of 61.8%, resulting in a profit before tax of Rs. 3.3 crore as compared to Rs. 4.5 crore, for corresponding previous period. Profit after tax was Rs. 3.7 crore as compared to Rs. 4.5 crore for corresponding previous period.

For the half year ended September 30, 2021, net revenue was Rs. 317 crore, which was a YoY increase of 72.1%, resulting in a profit after tax of Rs. 11.2 crore, as compared to a loss of Rs. 5.2 crore for corresponding previous period.

During the quarter, Tejas Networks received a strategic investment of Rs. 837.5 crore towards preferential allotment of shares and warrants, from Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We continue to see positive growth momentum in our business. With strong bookings of Rs. 258 crore during the quarter, our order book increased to Rs. 783 crores. However, during the quarter our revenues as well as margins were adversely impacted because of the ongoing global semiconductor component shortage, due to which we are facing challenges in the form of longer lead times and increase in our component costs. Government of India has launched various supportive policies for promoting "designed and made in India" telecom products and we are pleased that our application for the Performance Linked Incentive (PLI) scheme has been approved."

Mr. Venkatesh Gadiyar, CFO said, "During the quarter, we improved our collections and reduced our DSO as well as working capital, despite continuing to proactively invest in inventory to secure long-lead time components. As on September 30, 2021 our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, increased to Rs. 1,195 crores and we continue to be a debt-free Company. With our healthy cash reserves, we are in a strong position to invest for our business growth".

09



About Tejas Networks Limited

Tejas Networks designs, develops and sells high-performance telecom and 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.

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.

09



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

(in Rs. crore)

	September 30, 2021	March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	30.23	29.48
Right-of-use assets	17.61	16.10
Intangible assets	65.97	65.43
Intangible assets under development	42.06	24.49
Financial assets		
Trade receivables	73.39	72.97
Other financial assets ¹	6.95	6.91
Current tax asset (net)	40.89	62.61
Deferred Tax Asset	58.21	56.72
Other non-current assets	9.78	6.98
Total non - current assets	345.09	341.69
Current assets		
Inventories	226.36	213.65
Financial assets		
Investments ²	588.91	37.37
Trade receivables	340.78	341.03
Cash and cash equivalents ³	142.31	53.43
Other bank balances ⁴	224.27	164.09
Loans	0.38	0.35
Other financial assets ⁵	241.42	110.30
Other current assets	84.06	49.97
Total current assets	1,848.49	970.19
Total assets	2,193.58	1,311.88
EQUITY AND LIABILITIES		
Equity		
Equity share capital	117.19	96.51
Other equity	1,875.91	1,037.69
Total equity	1,993.10	1,134.20
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	15.99	17.07
Provisions	0.64	0.69
Total non - current liabilities	16.63	17.76
Current liabilities		
Financial liabilities		
Lease Liabilities	7.18	4.83
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	8.09	11.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	113.91	80.38
Other financial liabilities	37.52	47.26
Provisions	8.85	5.22
Other current liabilities	8.30	10.39
Total current liabilities	183.85	159.92
Total equity and liabilities	2,193.58	1,311.88

Supplementary Information

(in Rs. crore)

	September 30, 2021	March 31, 2021
Cash and Cash Equivalents as at		
¹ Other non current financial asset includes Fixed Deposits with banks with original maturity of more than twelve months	1.54	1.54
² Investments includes Investment in mutual funds	588.91	37.37
³ Cash and cash equivalents	142.31	53.43
⁴ Other bank balances	224.27	164.09
⁵ Other current financial asset includes Deposits with financials institutions	237.97	108.00
Total	1,195.00	364.43

09



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended Sep 30, 2021	Quarter ended Jun 30, 2021	Quarter ended Sep 30, 2020	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year ended Mar 31, 2021
Revenue from operations	172.78	144.25	110.06	317.03	190.17	526.60
Other Income	4.17	8.38	8.11	12.55	12.45	24.85
Total Income	176.95	152.63	118.17	329.58	202.62	551.45
Expenses						
Cost of materials consumed	92.60	73.81	58.97	166.41	94.15	268.74
Employee benefit expense	32.12	29.60	26.28	61.72	53.15	116.33
Finance costs	0.90	1.26	1.02	2.16	1.96	3.70
Depreciation and amortization expense	18.28	16.39	11.84	34.67	25.62	52.12
Allowance for expected credit loss	5.14	1.16	(0.82)	6.30	3.20	14.80
Other expenses	24.58	22.07	16.35	46.65	29.77	73.24
Total Expenses	173.62	144.29	113.64	317.91	207.85	528.93
Profit/(Loss) before tax	3.33	8.34	4.53	11.67	(5.23)	22.52
Current tax	0.19	1.44	-	1.63	-	-
Deferred tax	(0.52)	(0.65)	-	(1.17)	-	(15.02)
Profit/(Loss) after tax	3.66	7.55	4.53	11.21	(5.23)	37.54
Other comprehensive income/(loss)	(1.12)	0.05	0.68	(1.07)	0.63	2.02
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation (Net of tax)	(1.57)	0.04	0.75	(1.53)	0.70	2.21
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	0.45	0.01	(0.07)	0.46	(0.07)	(0.19)
Total comprehensive income/(loss) for the period	2.54	7.60	5.21	10.14	(4.60)	39.56
Earnings/(Loss) per equity share of Rs. 10 each						
Basic (Rs.)	0.37	0.81	0.49	1.17	(0.57)	4.05
Diluted (Rs.)	0.30	0.78	0.49	0.93	(0.57)	3.99
Weighted average equity shares used in computing earnings per equity share						
Basic	9,83,79,317	9,33,45,059	9,23,60,935	9,58,75,943	9,23,10,677	9,25,53,796
Diluted	12,37,33,801	9,67,87,743	9,26,64,459	12,08,71,766	9,23,10,677	9,41,28,273

Supplementary Information

(in Rs. crore)

Particulars	Quarter ended Sep 30, 2021	Quarter ended Jun 30, 2021	Quarter ended Sep 30, 2020	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year ended Mar 31, 2021
Revenue from operations	172.78	144.25	110.06	317.03	190.17	526.60
Less: Sale of Components	-	-	3.27	-	6.01	11.78
Revenue (net of component sales)	172.78	144.25	106.79	317.03	184.16	514.82
Year on Year Growth	61.8%			72.1%		

99