

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Review Report on the Statement of Unaudited Consolidated Financial Results

To
The Board of Directors
Tejas Networks Limited
5th Floor, J P Software Park,
Plot No. 25, Sy, No 13, 14, 17 and 18,
Konnapana Agrahara Village,
Begur Hobli, Bengaluru – 560 100

1. We have reviewed the Unaudited Consolidated Financial Results of Tejas Networks Limited (the "Parent"), and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), (refer Note 1 of the Consolidated Statement) for the quarter ended June 30, 2024 which are included in the accompanying 'Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024' (the "Consolidated Statement"). The Consolidated Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Consolidated Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
3. We conducted our review of the Consolidated Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Consolidated Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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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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4. The Consolidated Statement includes the results of the following entities:

Parent Company

Tejas Networks Limited, India

Subsidiaries

- a) Tejas Communications Pte. Limited, Singapore
 - b) Saankhya Labs Private Limited, India
 - c) Tejas Communications (Nigeria) Limited, Nigeria
 - d) Saankhya Strategic Electronics Private Limited, India
 - e) Saankhya Labs Inc, USA
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Unaudited Consolidated Financial Results includes the financial results of 4 subsidiaries which have not been reviewed by their auditors and whose financial results reflect total revenue of Rs.1.98 crores, total net profit after tax of Rs. 0.22 crores and total comprehensive income of Rs. 0.23 crores for the quarter ended June 30, 2024, as considered in the Consolidated Statement. According to the information and explanations given to us by the Management, the financial results of the aforesaid subsidiaries are not material to the Group.

Our conclusion on the Consolidated Statement is not modified in respect of the above matter.

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

Prasanna Padar Mahabala
Partner

Membership Number: 206477
UDIN: 24206477BKEWQH2510

Place: Bengaluru
Date: July 19, 2024



Tejas Networks Limited

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Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.
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Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024

Particulars	(Rs. in crore except per share data)			
	Quarter ended June 30, 2024	Quarter ended March 31, 2024	Quarter ended June 30, 2023	Year ended March 31, 2024
	Unaudited	Unaudited (Refer note - 7)	Unaudited	Audited
I Revenue from operations				
a) Revenue from sale of goods and rendering of services	1,496.07	1,170.52	187.89	2,314.32
b) Other operating revenue (Refer note - 6)	66.70	156.36	0.24	156.60
Total Revenue from operations	1,562.77	1,326.88	188.13	2,470.92
II Other Income	13.03	12.29	19.24	64.66
III Total income (I + II)	1,575.80	1,339.17	207.37	2,535.58
IV EXPENSES				
a) Cost of materials consumed	1,097.63	778.56	120.36	1,564.06
b) Purchases of stock in trade	31.68	3.59	1.08	41.86
c) Changes in inventories of stock in trade, work in progress and finished goods	(5.79)	18.85	(2.31)	(20.82)
d) Employee benefit expense	94.97	111.19	77.05	351.49
e) Finance costs	56.56	30.83	4.67	50.75
f) Depreciation and amortization expense	64.95	58.18	34.42	182.45
g) Allowance for expected credit loss	0.89	(2.83)	(2.26)	15.21
h) Other expenses	113.36	108.19	40.24	250.36
Total Expenses (IV)	1,454.25	1,106.56	273.25	2,435.36
V Profit/(Loss) before tax (III - IV)	121.55	232.61	(65.88)	100.22
VI Income tax expense/(benefit)				
(1) Current tax expense/(benefit)	23.47	65.03	(9.85)	21.79
(2) Deferred tax expense/(benefit)	20.60	20.80	(29.74)	15.45
Total tax expense/(benefit)	44.07	85.83	(39.59)	37.24
VII Profit/(Loss) after tax (V - VI)	77.48	146.78	(26.29)	62.98
VIII Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
Remeasurements of the post-employment benefit obligation expense	(0.67)	(2.50)	(0.73)	(5.30)
Income tax relating to above	(0.04)	1.02	-	0.97
Items that will be reclassified to profit or loss				
Gains/(losses) in cash flow hedges	(0.66)	0.30	-	0.09
Exchange differences on translation of foreign operations	0.09	(0.06)	0.04	0.06
Income tax relating to gains/(losses) in cash flow hedges	0.12	-	-	-
IX Total comprehensive income/(loss) for the period (VII + VIII)	76.32	145.54	(26.98)	58.80
X Equity Share Capital (Face value of Rs. 10/- each)	174.27	173.98	172.84	173.98
XI Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet	-	-	-	2,975.51
XII Earnings/(Loss) per equity share				
Equity shares of par value Rs. 10 each				
(1) Basic	4.54	8.61	(1.56)	3.71
(2) Diluted	4.44	8.48	(1.56)	3.65



Initialed For Identification Purpose Only



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Notes

- The Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024 includes the results of Tejas Networks Limited ('the Company' or 'the Holding Company' or 'the Parent') and the following subsidiaries (Parent and Subsidiaries collectively referred as 'the Group' hereinunder):
Subsidiaries:
- Tejas Communication Pte. Limited, Singapore
- Saankhya Labs Private Limited (Saankhya Labs)
- Tejas Communications (Nigeria) Limited, Nigeria
- Saankhya Strategic Electronics Private Limited (SSE)
- Saankhya Labs Inc, USA
- This Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024 has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" 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, 2015").
- The Group has identified "telecom and data networking related products and related services" as its only reportable segment in accordance with the requirements of Ind AS 108 "operating segments" and hence no segment information has been provided.
- Summary of key Unaudited Standalone Financial Results of the Company is as follows:

Particulars	(Rs. in crore)			
	Quarter ended June 30, 2024	Quarter ended March 31, 2024	Quarter ended June 30, 2023	Year ended March 31, 2024
	Unaudited	Unaudited	Unaudited	Audited
Revenues from operations	1,540.97	1,305.32	167.35	2,370.46
Profit/(Loss) before tax	124.60	241.14	(51.06)	123.75
Profit/(Loss) after tax	79.85	159.19	(14.65)	81.98

Note: The Unaudited 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 above information has been extracted from the Unaudited Standalone Financial Results of the Company.

- The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the draft Scheme of Amalgamation (the "Scheme") of Saankhya Labs and SSE (Transferor Companies) with the Company and the respective stakeholders. On September 30, 2022, the Company filed the Scheme with the National Stock Exchange of India Limited and BSE Limited respectively and on July 6, 2023 both the Stock Exchanges have conveyed their "No Objection" to the Scheme.

Further, on July 27, 2023, the Company filed the merger application under Section 230 and 232 of the Companies Act, 2013 with National Company Law Tribunal (NCLT) Bengaluru, for the merger of Transferor Companies with the Company. Pursuant to the Hon'ble NCLT, Bengaluru order dated December 7, 2023, the Company on February 9, 2024 held separate meetings of the Equity Shareholders and Unsecured Creditors of the Company for purpose of considering and approving the Scheme of Amalgamation. The Scheme was passed with the requisite majority by the Equity Shareholders and Unsecured Creditors of the Company.

The Scheme was listed for hearing on July 5, 2024 before Hon'ble NCLT, Bengaluru Bench and the matter was heard and reserved for detailed order. Upon implementation of the Scheme, the shareholders holding the remaining 35.60% equity shares in Saankhya Labs will be issued 112 equity shares of the Company for every 100 equity shares held in Saankhya Labs. Till such time, the Transferor Companies continue to operate as majority-owned subsidiaries of Tejas Networks Limited.

- 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 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" and has been accordingly considered in the Unaudited Consolidated Financial Results.



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- 6 Pursuant to the approval received from the Department of Telecommunication under the Production Linked Incentive (PLI) Scheme, the Company has recognised PLI incentive of Rs. 32.66 crore and Rs. 123.70 crore pertaining to the financial year ended March 31, 2023 and March 31, 2024 respectively under "other operating revenue" in the financial results for the quarter and year ended March 31, 2024. Based on the aforesaid approval the Company has recognised PLI incentive of Rs. 66.70 crore for the quarter ended June 30, 2024 considering there is reasonable assurance that the Company will comply with the conditions attached to the PLI scheme and that the grant will be received.
- 7 The figures for the quarter ended March 31, 2024 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 that financial year which were subjected to review by the statutory auditors.
- 8 The above Statement of Unaudited Consolidated Financial Results 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 July 19, 2024.

For and on behalf of the Board of Directors




Anand S Athreya
Managing Director and CEO
(DIN: 10118880)



Place: Bengaluru
Date: July 19, 2024

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