

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Review Report on the Statement of Unaudited Standalone 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,
Konnapanan Agrahara Village,
Begur Hobli, Bengaluru - 560 100

1. We have reviewed the Unaudited Standalone Financial Results of Tejas Networks Limited (the "Company") for the quarter ended June 30, 2024, which are included in the accompanying 'Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2024' (the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Standalone Statement, which is the responsibility of the Company's Management and approved by the 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 Standalone Statement based on our review.
3. We conducted our review of the Standalone 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 Standalone 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.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Standalone 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.

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



Prasanna Padar Mahabala
Partner
Membership Number: 206477
UDIN: 24206477BKEWQG5649

Place: Bengaluru
Date: July 19, 2024

Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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Tejas Networks Limited

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,
Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.

Corporate Identity Number: L72900KA2000PLC026980

Tel: +91 80 4179 4600; Fax: +91 80 2852 0201

E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

Statement of Unaudited Standalone 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 - 5)	Unaudited	Audited
I Revenue from operations				
(a) Revenue from sale of goods and rendering of services	1,474.27	1,148.96	167.11	2,213.86
(b) Other operating revenue (Refer note - 4)	66.70	156.36	0.24	156.60
Total Revenue from operations	1,540.97	1,305.32	167.35	2,370.46
II Other Income	12.62	11.82	19.26	64.08
III Total income (I + II)	1,553.59	1,317.14	186.61	2,434.54
IV EXPENSES				
(a) Cost of materials consumed	1,096.79	778.08	119.87	1,567.01
(b) Purchases of stock in trade	31.68	3.59	1.08	41.86
(c) Changes in inventories of stock in trade and finished goods	(5.64)	19.01	(4.42)	(24.17)
(d) Employee benefit expense	85.43	94.61	59.28	287.44
(e) Finance costs	53.42	27.69	1.47	37.91
(f) Depreciation and amortization expense	60.09	53.20	29.01	161.23
(g) Allowance for expected credit loss	0.89	(0.28)	(2.26)	17.76
(h) Other expenses	106.33	100.10	33.64	221.75
Total expenses (IV)	1,428.99	1,076.00	237.67	2,310.79
V Profit/(Loss) before tax (III - IV)	124.60	241.14	(51.06)	123.75
VI Income tax expense/(benefit)				
(1) Current tax expense/(benefit)	23.71	64.91	(9.85)	21.66
(2) Deferred tax expense/(benefit)	21.04	17.04	(26.56)	20.11
Total tax expense/(benefit)	44.75	81.95	(36.41)	41.77
VII Profit/(Loss) after tax (V - VI)	79.85	159.19	(14.65)	81.98
VIII Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
Remeasurements of the post-employment benefit obligation expense	(2.00)	(1.95)	(0.73)	(4.93)
Income tax relating to above	0.35	0.86	-	0.86
Items that will be reclassified to profit or loss				
Gains/(losses) in cash flow hedges	(0.66)	0.30	-	0.09
Income tax relating to above	0.12	-	-	-
IX Total comprehensive income/(loss) for the period (VII + VIII)	77.66	158.40	(15.38)	78.00
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	-	-	-	3,028.33
XII Earnings/(Loss) per equity share				
Equity shares of par value Rs. 10 each				
(1) Basic	4.67	9.34	(0.87)	4.83
(2) Diluted	4.58	9.20	(0.87)	4.75



Initialed For
Identification
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Tejas Networks Limited

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Notes

- 1 This Statement of Unaudited Standalone 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").
- 2 The Company 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.
- 3 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 Private Limited (Saankhya Labs) and Saankhya Strategic Electronics Private Limited (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.
- 4 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.
- 5 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.
- 6 The above Statement of Unaudited Standalone 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.

Place: Bengaluru
Date: July 19, 2024



For and on behalf of the Board of Directors


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



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