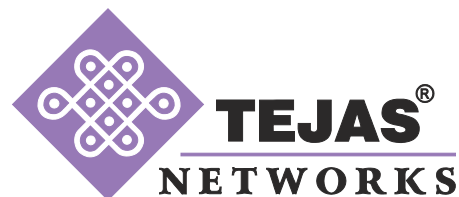


## Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor  
J.P. Software Park, Electronic City Phase 1  
Hosur Road, Bengaluru 560 100, India  
Tel : +91- 80- 4179 4600/700/800  
Fax: +91- 80- 2852 0201



**January 23, 2019**

The Secretary  
**National Stock Exchange of India Ltd**  
Exchange Plaza, C/1, Block G,  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051  
**NSESymbol: TEJASNET**

The Secretary  
**BSE Limited**  
P J Towers, Dalal Street, Fort,  
Mumbai – 400 001  
**BSE Scrip Code: 540595**

Dear Sir/Madam,

### **Re: Outcome of Board Meeting**

This is with reference to our letter dated January 7, 2019 informing about the Board Meeting scheduled on January 23, 2019.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Wednesday, January 23, 2019 at Bangalore has *inter alia* considered and approved the following:

### **Financial Results**

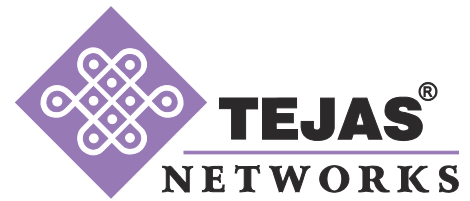
1. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the unaudited financial results (standalone and consolidated) as per IND-AS for the quarter and nine-months ended December 31, 2018 together with the Limited review report of the Statutory Auditors for the said period is enclosed as **Annexure - A**.

### **Others**

2. The Nomination and Remuneration Committee and the Board of Directors in its meeting held today, have approved the grant of 2,000 Restricted Stock Units with a three year vesting period and 18,100 Restricted Stock Units with a four year vesting period at face value of Rs. 10/- each under Tejas Restricted Stock Unit Plan 2017 to the employees of the Company with the effective date of grant as of January 23, 2019.
3. Allotment of 49,401 Equity Shares of the Company pursuant to exercise of stock options by eligible employees under the respective Stock Option Plans.
4. Took on record the amended Tejas Restricted Stock Unit Plan 2017.
5. Constitution of Risk Management Committee of the Board.
6. Took on record the following:
  - a) The Charter and Policies of Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.
  - b) The restated Audit Committee Charter and Nomination & Remuneration Committee Charter.
  - c) The revised Nomination & Remuneration Committee Policy.

## Tejas Networks Ltd.

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### We also enclose:

- a) Copy of the press release issued with respect of said financial results as **Annexure- B**.
- b) Extracts of the unaudited financial results under IND-AS (Standalone and Consolidated) for the quarter and nine-months ended December 31, 2018 being published in the newspapers as **Annexure - C**.

Please note that the Conference Call details to discuss the Company's performance on Thursday, January 24, 2019 at 1.00 P.M (IST) has already been intimated to Stock Exchanges vide our letter dated January 22, 2019.

The above information is also being made available on the website of the Company at [www.tejasnetworks.com](http://www.tejasnetworks.com).

We request you to please take the same on record.

Thanking you,

Yours sincerely

**For Tejas Networks Limited**

**N R Ravikrishnan**  
**General Counsel, Chief Compliance Officer**  
**& Company Secretary**

## Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Tejas Networks Limited,  
5<sup>th</sup> Floor, J P Software Park,  
Plot No 25, Sy. No 13, 14, 17, 18,  
Konnapanan Agrahara Village,  
Begur Hobli, Bangalore – 560100

### Independent Auditors' Report on Review of Interim standalone results for the quarter ended December 31, 2018

1. We have reviewed the unaudited financial results of Tejas Networks Limited (the "Company") for the quarter ended December 31, 2018, which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2018' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, 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



Pradip Kanakia  
Partner  
Membership Number: 039985

Place: Bengaluru  
Date: January 23, 2019

Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor  
Bangalore - 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

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)



**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 Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2018**

Particulars	(Rs. in crore except per share data)					
	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations*	181.10	205.61	228.98	622.12	662.82	761.07
II Other Income	9.15	10.80	6.84	29.67	17.84	27.22
III Total Revenue (I + II)	190.25	216.41	235.82	651.79	680.66	788.29
IV EXPENSES						
(a) Cost of materials consumed	95.36	111.22	114.22	318.20	339.38	382.30
(b) Excise duty	-	-	-	-	17.64	17.64
(c) Employee benefits expense	26.13	28.35	24.68	85.52	69.53	88.65
(d) Finance costs	4.78	3.90	3.51	11.85	11.83	13.45
(e) Depreciation and amortization expense	16.19	15.04	15.29	48.43	49.44	61.27
(f) Other expenses	24.05	20.98	37.16	75.37	91.67	118.34
Total Expenses (IV)	166.51	179.49	194.86	539.37	579.49	681.65
V Profit before tax (III - IV)	23.74	36.92	40.96	112.42	101.17	106.64
VI Tax Expense						
(1) Current tax	(2.93)	7.91	8.63	16.59	21.17	23.78
(2) Deferred tax (benefit)	(5.00)	(5.00)	-	(15.00)	-	(24.26)
Total tax expense	(7.93)	2.91	8.63	1.59	21.17	(0.48)
VII Profit after tax (V - VI)	31.67	34.01	32.33	110.83	80.00	107.12
VIII Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit liabilities / (assets)	(0.20)	(0.32)	(0.55)	(0.59)	(2.00)	(2.05)
Income tax relating to above	0.05	0.06	-	0.13	-	0.44
IX Total comprehensive income for the period (VII + VIII)	31.52	33.75	31.78	110.37	78.00	105.51
X Earnings per equity share of Rs. 10 each						
(1) Basic	3.46	3.73	3.60	12.15	9.49	12.48
(2) Diluted	3.29	3.53	3.39	11.52	8.92	11.79

\* Refer Note 1

BY





## Tejas Networks Limited

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

### Notes

(Rs. in crore except share data)

- 1 Revenue from operations for quarter ended June 30, 2017 was inclusive of excise duty. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the periods post June 30, 2017 is net of the related GST. Accordingly, the revenue for the nine months ended December 31, 2018 and the corresponding nine months of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes is given below:

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	181.10	205.61	228.98	622.12	662.82	761.07
Less: Excise Duty	-	-	-	-	17.64	17.64
Revenue from operations (net of excise duty)	181.10	205.61	228.98	622.12	645.18	743.43
Comparable revenue decrease for nine months (in %)				-4%		

- 2 These financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies ('Ind AS') and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('SEBI Circular').
- 3 The Company's operations comprise of only one segment viz. Networking equipment.
- 4 During the quarter ended June 30, 2017, the Company completed an Initial Public Offer ('IPO') and allotted 1,75,09,727 equity shares of Rs. 10/- each at a premium of Rs 247/- per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from June 27, 2017. Cumulatively 100% of the proceeds have been utilised during the quarter ended June 30, 2018. There was no deviation in use of proceeds from the objects stated in the offer document.
- 5 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act). The Company and its officials fully co-operated with the Income Tax Department. As on date, there is no demand raised by the Income Tax Department. During the year, the Company and certain officers of the Company have received Summons under various sections of the IT Act from the Special Court for Economic Offences. The Company has responded appropriately in this matter. The Company is of the view that the outcome of these proceedings will not have any material impact on the Company's results.
- 6 During the quarter September 2018, the Company has received an Order from CESTAT with respect to applicability of excise duty on the software used as part of the Multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software is required to be included for the purpose of arriving at the assessable value for calculating the excise duty liability. Accordingly, CESTAT has remanded the matter back to the adjudicating authority for quantifying the differential duty liability, interest and penalties. Based on Management's assessment of the CESTAT Order, supported by an external legal opinion, Management has concluded that the company has a strong case to defend its position in this matter and accordingly, no provision has been made in this statement of financial results, for the financial impact if any, arising from the aforesaid CESTAT Order. The Company has disclosed this matter as contingent liability/footnote in the financial statements for the year ended March 31, 2018. The Company has filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned Order. In addition, Company has also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application with the Supreme Court against the CESTAT Order.
- 7 The Company has with effect from April 01, 2018 revised the estimated useful lives of Laboratory Equipment, Electrical Installation and Furniture and Fittings from 10 years to 5 years, Vehicles from 8 years to 5 years and Servers and Networking Equipment from 6 years to 5 years, based on a periodic technical evaluation carried out during the quarter ended June 30, 2018. Accordingly, additional depreciation of Rs. 1.13 and Rs. 8.19 has been charged for the quarter and nine months ended December 31, 2018 respectively on a prospective basis in this statement of financial results.
- 8 The Company has, at various grant dates during the year issued 9,88,450 Restricted Stock Units (RSU) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. An amount of Rs. 3.62 and Rs. 10.33 representing the fair value of such RSU's has been charged for the quarter and nine months ended December 31, 2018.
- 9 The Company has from time to time in the normal course of business entered into factoring agreements with bankers for some of the trade receivables on a non-recourse basis and as at December 31, 2018 has derecognised such receivables amounting to Nil (December 31, 2017: Rs. 99.62) in accordance with Ind AS 109 - Financial Instruments, pursuant to such factoring agreements.
- 10 The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 01, 2018 by applying the modified retrospective approach. Based on an evaluation, the Company has identified and considered the impact on account of Ind AS 115 in this statement of financial results on long term retention money due from customers and penalties/ liquidated damages, where applicable.
- 11 The Company during the previous quarter, has received approval from the Registrar of Companies, Karnataka for striking off and dissolution of vSave Energy Private Limited, a wholly owned non-operating Indian subsidiary with effect from July 28, 2018.
- 12 The Company during the current quarter, has received approval from the Registrar of Companies and Partnerships, Israel for liquidation of Tejas Israel Limited, a wholly owned non-operating foreign subsidiary with effect from November 25, 2018.
- 13 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 14 The above statement of 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 January 23, 2019. The Statutory Auditors of the Company have carried out a limited review of this statement of financial results for the quarter ended December 31, 2018.

For and on behalf of the Board of Directors

Sanjay Nayak  
CEO and Managing Director  
(DIN: 01049871)

Place: Bengaluru  
Date: January 23, 2019

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# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Tejas Networks Limited,  
5<sup>th</sup> Floor, J P Software Park,  
Plot No 25, Sy. No 13, 14, 17, 18,  
Konnapana Agrahara Village,  
Begur Hobli, Bangalore – 560100

## Independent Auditors' Report on Review of Interim consolidated results for the quarter ended December 31, 2018

1. We have reviewed the unaudited consolidated financial results of Tejas Networks Limited (the "Company"), and its subsidiaries/ step down subsidiary (hereinafter referred to as the "Group") (refer Note 2 to the Statement) for the quarter ended December 31, 2018 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2018' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, 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



Pradip Kanakia  
Partner  
Membership Number: 039985

Place: Bengaluru  
Date: January 23, 2019

Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor  
Bangalore - 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

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)



**Tejas Networks Limited**

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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 Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2018**

Particulars	(Rs. in crore except per share data)					
	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations*	184.33	207.03	229.87	627.19	665.31	767.44
II Other Income	9.30	10.87	6.80	29.82	17.77	27.83
III Total Revenue (I + II)	193.63	217.90	236.67	657.01	683.08	795.27
IV EXPENSES						
(a) Cost of materials consumed	95.28	111.19	114.33	318.11	339.42	382.42
(b) Excise duty	-	-	-	-	17.64	17.64
(c) Employee benefits expense	27.60	29.81	25.57	89.97	71.78	92.26
(d) Finance costs	4.54	4.07	3.49	11.93	11.85	13.40
(e) Depreciation and amortization expense	16.19	15.04	15.29	48.43	49.44	61.27
(f) Other expenses	25.11	21.40	39.23	75.63	94.33	122.24
Total Expenses (IV)	168.72	181.51	197.91	544.07	584.46	689.23
V Profit before tax (III - IV)	24.91	36.39	38.76	112.94	98.62	106.04
VI Tax Expense						
(1) Current tax	(2.93)	7.91	8.62	16.59	21.17	23.78
(2) Deferred tax (benefit)	(5.00)	(5.00)	-	(15.00)	-	(24.26)
Total tax expense	(7.93)	2.91	8.62	1.59	21.17	(0.48)
VII Profit after tax (V - VI)	32.84	33.48	30.14	111.35	77.45	106.52
VIII Other comprehensive income						
a Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit liabilities / (assets)	(0.20)	(0.32)	(0.55)	(0.59)	(2.00)	(2.05)
Income tax relating to above	0.05	0.06	-	0.13	-	0.44
b Items that may be reclassified to profit or loss						
Exchange differences in translating the financial statements of foreign operations	(0.80)	2.41	0.20	0.84	0.15	(0.15)
IX Total comprehensive income for the period (VII + VIII)	31.89	35.63	29.79	111.73	75.60	104.76
X Earnings per equity share of Rs. 10 each						
(1) Basic	3.59	3.67	3.35	12.21	9.18	12.41
(2) Diluted	3.41	3.48	3.16	11.58	8.63	11.73

\* Refer Note 1

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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,  
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 Corporate Identity Number: L72900KA2000PLC026980  
 Tel: +91 80 4179 4600; Fax: +91 80 2852 0201  
 E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

#### Notes

(Rs. In crore except share data)

- 1 Revenue from operations for quarter ended June 30, 2017 was inclusive of excise duty. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the periods post June 30, 2017 is net of the related GST. Accordingly, the revenue for the nine months ended December 31, 2018 and the corresponding nine months of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes is given below:

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	184.33	207.03	229.87	627.19	665.31	767.44
Less: Excise Duty	-	-	-	-	17.64	17.64
Revenue from operations (net of excise duty)	184.33	207.03	229.87	627.19	647.67	749.80
Comparable revenue decrease for nine months (in %)				-3%		

- 2 The Statement of consolidated financial results includes the results of Tejas Networks Limited ('the Company') and the following subsidiaries/ step down subsidiary (collectively referred as 'the Group' hereunder):  
 - Tejas Communication Pte. Limited, Singapore  
 - Tejas Israel Limited (upto November 25, 2018) [Refer Note 4],  
 - Tejas Communication (Nigeria) Limited and  
 - vSave Energy Private Limited (upto July 28, 2018) [Refer Note 3]
- 3 The Group during the previous quarter, has received approval from the Registrar of Companies, Karnataka for striking off and dissolution of vSave Energy Private Limited, a wholly owned non-operating Indian subsidiary with effect from July 28, 2018.
- 4 The Group during the current quarter, has received approval from the Registrar of Companies and Partnerships, Israel for liquidation of Tejas Israel Limited, a wholly owned non-operating foreign subsidiary with effect from November 25, 2018.
- 5 These consolidated financial results of the Group have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies ('Ind AS') and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('SEBI Circular').
- 6 The Group's operations comprise of only one segment viz. Networking equipment.
- 7 During the quarter ended June 30, 2017, the Company completed an Initial Public Offer ('IPO') and allotted 1,75,09,727 equity shares of Rs. 10/- each at a premium of Rs 247/- per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from June 27, 2017. Cumulatively 100% of the proceeds have been utilised during the quarter ended June 30, 2018. There was no deviation in use of proceeds from the objects stated in the offer document.
- 8 Summary of key standalone financial results is as follows:

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
Revenues from operations	181.10	205.61	228.98	622.12	662.82	761.07
Profit before tax	23.74	36.92	40.96	112.42	101.17	106.64
Profit after tax	31.67	34.01	32.33	110.83	80.00	107.12

Note: The standalone financial results of Tejas Networks Limited 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 information above has been extracted from the published standalone financial results.

- 9 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act). The Company and its officials fully co-operated with the Income Tax Department. As on date, there is no demand raised by the Income Tax Department. During the year, the Company and certain officers of the Company have received Summons under various sections of the IT Act from the Special Court for Economic Offences. The Company has responded appropriately in this matter. The Company is of the view that the outcome of these proceedings will not have any material impact on the Company's results.
- 10 During the quarter September 2018, the Company has received an Order from CESTAT with respect to applicability of excise duty on the software used as part of the Multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software is required to be included for the purpose of arriving at the assessable value for calculating the excise duty liability. Accordingly, CESTAT has remanded the matter back to the adjudicating authority for quantifying the differential duty liability, interest and penalties. Based on Management's assessment of the CESTAT Order, supported by an external legal opinion, Management has concluded that the company has a strong case to defend its position in this matter and accordingly, no provision has been made in this statement of consolidated financial results, for the financial impact if any, arising from the aforesaid CESTAT Order. The Company had disclosed this matter as contingent liability/footnote in the financial statements for the year ended March 31, 2018. The Company has filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned Order. In addition, Company has also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application with the Supreme Court against the CESTAT Order.
- 11 The Group has with effect from April 01, 2018 revised the estimated useful lives of Laboratory Equipment, Electrical Installation and Furniture and Fittings from 10 years to 5 years, Vehicles from 8 years to 5 years and Servers and Networking Equipment from 6 years to 5 years, based on a periodic technical evaluation carried out during the quarter ended June 30, 2018. Accordingly, additional depreciation of Rs. 1.13 and Rs. 8.19 has been charged for the quarter and nine months ended December 31, 2018 respectively on a prospective basis in this statement of consolidated financial results.
- 12 The Company has, at various grant dates during the year issued 9,88,450 Restricted Stock Units (RSU) to its employees and certain employees of a foreign subsidiary at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. An amount of Rs. 3.62 and Rs. 10.33 representing the fair value of such RSU's has been charged for the quarter and nine months ended December 31, 2018 respectively in this statement of consolidated financial results.
- 13 The Company has from time to time in the normal course of business entered into factoring agreements with bankers for some of the trade receivables on a non-recourse basis and as at December 31, 2018 has derecognized such receivables amounting to Nil (December 31, 2017: Rs. 99.62) in accordance with Ind AS 109 - Financial Instruments, pursuant to such factoring agreements.
- 14 The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 01, 2018 by applying the modified retrospective approach. Based on an evaluation, the Group has identified and considered the impact on account of Ind AS 115 in this statement of consolidated financial results on long term retention money due from customers and penalties/ liquidated damages, where applicable.
- 15 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 16 The above statement of 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 January 23, 2019. The Statutory Auditors of the Company have carried out a limited review of this statement of consolidated financial results for the quarter ended December 31, 2018.

For and on behalf of the Board of Directors

Sanjay Nayak  
 CEO and Managing Director  
 (DIN: 01049871)

Place: Bengaluru  
 Date: January 23, 2019

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## Press Release

**Tejas Networks announces consolidated results for quarter ended Dec 31, 2018**

***Nine months Revenues (net of taxes and pass-through component sale) was 610.9 Cr (YoY decline of 4.7%) and Net profit was 111.4 Cr (YoY increase of 43.8%)***

**Bengaluru, January 23, 2019:** Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the third quarter ended Dec 31, 2018. Tejas Networks designs, develops, manufactures and sells high-performance optical and data networking products, which are used to build high-speed communication networks over optical fiber.

For the quarter ended Dec 31, 2018, our consolidated revenues (net of taxes and pass-through component sale) was ₹ 176.2 crore, our operating profit was 11.4% of our revenues (net) and our profit after tax was ₹ 32.8 crore which as percentage of net revenue was 18.6%.

For the nine months ended Dec 31, 2018, our revenues (net of taxes and pass-through component sale) were ₹ 610.9 crore, which was a year-on-year decline of 4.7%. Our operating profit was ₹ 95.0 crore, which was a year-on-year increase of 2.5% and net profit grew by 43.8% on year-on-year basis.

Mr. Sanjay Nayak, Managing Director and CEO said, "For the nine-month period, our revenue declined due to delays in orders from India Government tenders. Our system integration partners have won many tenders, and we expect some of these revenue to come in the next financial year. Nevertheless, based on strong growth from our India private customers and international direct customers, we expect our full year revenues to grow around 20%. In the medium term, our focus is to increase our India private and International sales and we are happy to report that our international sales investments in South East Asia, Africa and North America are yielding positive results and we see a strong funnel for new business."

Mr. Venkatesh Gadiyar, CFO said, "We have improved our nine months profitability (PBT) by over 300 bps on account of higher gross margins for our products. Due to delays in collections from one large India Government customer, our working capital was higher than expected. We expect the collection cycle to normalize in Q4"

During the quarter, we were granted 6 patents bringing our cumulative grant to 100 patents. As on date, we have filed for 349 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 70 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 over 349 patents.

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

Investor Relations: [ir@india.tejasnetworks.com](mailto:ir@india.tejasnetworks.com)

Attn: Mr. Santosh Kesavan: [skeshavan@india.tejasnetworks.com](mailto:skeshavan@india.tejasnetworks.com) Phone: +91 80 41794600

**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  
Consolidated Balance Sheet as at

(in ₹ crore, except share data)

	December 31, 2018	March 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29.14	35.98
<b>Intangible assets</b>	46.62	38.75
Intangible assets under development	56.29	46.85
<b>Financial assets</b>		
Trade receivables	47.94	34.84
<b>Loans</b>	5.37	5.44
Other financial assets	0.04	0.04
<b>Income tax asset (net)</b>	38.43	32.01
Deferred Tax Asset	136.16	121.16
<b>Other non-current assets</b>	0.18	0.34
<b>Total non - current assets</b>	<b>360.17</b>	<b>315.41</b>
<b>Current assets</b>		
Inventories	174.85	190.89
<b>Financial assets</b>		
Investments	154.27	76.52
Trade receivables	541.33	275.71
Cash and cash equivalents	41.36	214.19
Bank deposits with maturity of more than 3 months but less than 12 months	15.01	16.95
Balance held as margin money	0.04	4.81
<b>Loans</b>	0.71	0.62
Other financial assets	173.72	213.40
<b>Other current assets</b>	26.24	21.27
<b>Total current assets</b>	<b>1,127.53</b>	<b>1,014.36</b>
<b>Total assets</b>	<b>1,487.70</b>	<b>1,329.77</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	94.77	94.09
Other equity	1,186.08	1,057.99
<b>Total equity</b>	<b>1,280.85</b>	<b>1,152.08</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1.00	1.00
Provisions	1.46	1.14
<b>Total non - current liabilities</b>	<b>2.46</b>	<b>2.14</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	131.26	105.03
Other financial liabilities	58.55	53.30
<b>Provisions</b>	9.04	6.89
Other current liabilities	5.54	10.33
<b>Total current liabilities</b>	<b>204.39</b>	<b>175.55</b>
<b>Total equity and liabilities</b>	<b>1,487.70</b>	<b>1,329.77</b>

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Tejas Networks Limited and subsidiaries  
Consolidated Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended Dec 31, 2018	Quarter ended Sep 30, 2018	Quarter ended Dec 31, 2017	Nine months ended Dec 31, 2018	Nine months ended Dec 31, 2017	Year ended March 31, 2018
Revenue from operations *	184.33	207.03	229.87	627.19	665.31	767.44
Other Income	9.30	10.87	6.80	29.82	17.77	27.83
<b>Total Revenue</b>	<b>193.63</b>	<b>217.90</b>	<b>236.67</b>	<b>657.01</b>	<b>683.08</b>	<b>795.27</b>
<b>Expenses</b>						
Cost of materials consumed	95.28	111.19	114.33	318.11	357.06	400.06
Employee benefit expense	27.60	29.81	25.57	89.97	71.78	92.26
Finance costs	4.54	4.07	3.49	11.93	11.85	13.40
Depreciation and amortization expense	16.19	15.04	15.29	48.43	49.44	61.27
Other expenses	25.11	21.40	39.23	75.63	94.33	122.24
<b>Total Expenses</b>	<b>168.72</b>	<b>181.51</b>	<b>197.91</b>	<b>544.07</b>	<b>584.46</b>	<b>689.23</b>
<b>Profit before tax</b>	<b>24.91</b>	<b>36.39</b>	<b>38.76</b>	<b>112.94</b>	<b>98.62</b>	<b>106.04</b>
Current tax	(2.93)	7.91	8.62	16.59	21.17	23.78
Deferred tax	(5.00)	(5.00)	-	(15.00)	-	(24.26)
<b>Profit after tax</b>	<b>32.84</b>	<b>33.48</b>	<b>30.14</b>	<b>111.35</b>	<b>77.45</b>	<b>106.52</b>
<b>Other comprehensive income</b>	<b>(0.95)</b>	<b>2.15</b>	<b>(0.35)</b>	<b>0.38</b>	<b>(1.85)</b>	<b>(1.76)</b>
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit liabilities / (assets)	(0.15)	(0.26)	(0.55)	(0.46)	(2.00)	(1.61)
Items that may be reclassified to profit or loss						
Exchange differences in translating the financial statements of foreign operations	(0.80)	2.41	0.20	0.84	0.15	(0.15)
<b>Total comprehensive income for the period</b>	<b>31.89</b>	<b>35.63</b>	<b>29.79</b>	<b>111.73</b>	<b>75.60</b>	<b>104.76</b>
<b>Earnings per equity share of Rs. 10 each</b>						
<b>Basic (₹)</b>	<b>3.59</b>	<b>3.67</b>	<b>3.35</b>	<b>12.21</b>	<b>9.18</b>	<b>12.41</b>
<b>Diluted (₹)</b>	<b>3.41</b>	<b>3.48</b>	<b>3.16</b>	<b>11.58</b>	<b>8.63</b>	<b>11.73</b>
<b>Weighted average equity shares used in computing earnings per equity share</b>						
<b>Basic</b>	<b>9,14,49,872</b>	<b>9,12,68,735</b>	<b>8,99,46,198</b>	<b>9,12,08,713</b>	<b>8,43,47,915</b>	<b>8,58,58,425</b>
<b>Diluted</b>	<b>9,64,16,160</b>	<b>9,62,64,598</b>	<b>9,53,18,756</b>	<b>9,61,75,001</b>	<b>8,97,20,473</b>	<b>9,08,27,823</b>

\*Revenue from operations for quarter ended June 30, 2017 was inclusive of excise duty. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 are net of the related GST. Accordingly, the revenue for the current nine months and the corresponding nine months of the previous year are not strictly comparable.

Supplementary Information

Particulars	Quarter ended Dec 31, 2018	Quarter ended Sep 30, 2018	Quarter ended Dec 31, 2017	Nine months ended Dec 31, 2018	Nine months ended Dec 31, 2017	Year ended March 31, 2018
Revenue from operations	184.33	207.03	229.87	627.19	665.31	767.44
Less: Excise Duty	-	-	-	-	17.64	17.64
Revenue (net of taxes)	184.33	207.03	229.87	627.19	647.67	749.80
Less: Sale of Components	8.17	4.34	3.72	16.30	6.51	9.93
Revenue (net of taxes and component sales)	176.16	202.69	226.15	610.89	641.16	739.87
Year on Year Growth				-4.7%		

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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,  
Konnapana 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

Extract of Consolidated Unaudited Results for the quarter and nine months ended December 31, 2018

(Rs. in crore except per share data)

Sl. No.	Particulars	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
1	Total Income from operations*	184.33	207.03	229.87	627.19	665.31	767.44
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items) <sup>#</sup>	24.91	36.39	38.76	112.94	98.62	106.04
3	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items) <sup>#</sup>	32.84	33.48	30.14	111.35	77.45	106.52
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	31.89	35.63	29.79	111.73	75.60	104.76
5	Equity Share Capital	94.77	94.67	93.48	94.77	93.48	94.09
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year (Refer Note 3)	1,057.99	1,057.99	-	1,057.99	-	1,057.99
7	Earnings per Share ( of Rs. 10/- each)						
	(i) Basic ₹	3.59	3.67	3.35	12.21	9.18	12.41
	(ii) Diluted ₹	3.41	3.48	3.16	11.58	8.63	11.73

#### Notes

1 Key Standalone Financial Information of the company is given below:

Particulars	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
Total Income from operations*	181.10	205.61	228.98	622.12	662.82	761.07
Profit before tax	23.74	36.92	40.96	112.42	101.17	106.64
Profit after tax	31.67	34.01	32.33	110.83	80.00	107.12

2 The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The full format of the Quarterly Results are available on the website of the Stock Exchange(s) and the Company (www.tejasnetworks.com).

3 Pursuant to the exemption available vide SEBI circular dated July 05, 2016, the line item "Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year" has not been disclosed for the quarter and nine months ended December 31, 2017.

4 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act). The Company and its officials fully co-operated with the Income Tax Department. As on date, there is no demand raised by the Income Tax Department. During the year, the Company and certain officers of the Company have received Summons under various sections of the IT Act from the Special Court for Economic Offences. The Company has responded appropriately in this matter. The Company is of the view that the outcome of these proceedings will not have any material impact on the Company's results.

5 During the quarter September 2018, the Company has received an Order from CESTAT with respect to applicability of excise duty on the software used as part of the Multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software is required to be included for the purpose of arriving at the assessable value for calculating the excise duty liability. Accordingly, CESTAT has remanded the matter back to the adjudicating authority for quantifying the differential duty liability, interest and penalties. Based on Management's assessment of the CESTAT Order, supported by an external legal opinion, Management has concluded that the company has a strong case to defend its position in this matter and accordingly, no provision has been made in this statement of financial results, for the financial impact if any, arising from the aforesaid CESTAT Order. The Company had disclosed this matter as contingent liability/footnote in the financial statements for the year ended March 31, 2018. The Company has filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned Order. In addition, Company has also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application with the Supreme Court against the CESTAT Order.

\* excludes other income.

# Exceptional and/or Extraordinary items are adjusted in the Statement of Profit and Loss in accordance with the Companies (Indian Accounting Standard) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors

  
Sanjay Nayak  
CEO and Managing Director  
(DIN: 01049871)

Place: Bengaluru  
Date: January 23, 2019

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