



August 13, 2018

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

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

Dear Sir/Madam,

Ref: Intimation under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Pursuant to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we hereby confirm that there has been no deviation in the use of IPO Proceeds from the objects stated in the prospectus dated June 21, 2017.

In this regard, please find attached the Monitoring Agency Report provided by Axis Bank Limited (Monitoring Agent) for the quarter ended June 30, 2018 for your reference.

We request you to please take the above on record.

Thanking you,

Yours sincerely
For Tejas Networks Limited

A handwritten signature in blue ink, consisting of stylized initials and a horizontal line.

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

Encl: a/a

www.tejasnetworks.com

Tejas Networks Limited.

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JP Software Park, Electronic City, Phase-1,
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CIN No: L72900KA2000PLC026980
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Report of the Monitoring AgencyName of the Issuer: **Tejas Networks Limited**For Quarter ended: **June 2018**Name of the Monitoring Agency: **Axis Bank Limited**(a) Deviation from the objects: **No deviation from the objects (relevant comments are specified in the report below)**(b) Range of Deviation*: **Not applicable (relevant comments are specified in the report below)**

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2009, as amended. We further declare that this report provides true and fair view of the utilization of issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer. We also declare that the certificate is provided on the basis of management representation and certification provided by the independent chartered accountant.

Signature: Name of Signing Authority: **Mr. Amar Hadye**Designation Signing Authority: **Assistant Vice President**Date: **August 13, 2018**

1) Issuer Details:

Name of the issuer : Tejas Networks Limited
 The name of the promoter of the issuer : Not applicable
 Industry/sector to which it belongs : Manufacturing

2) Issue Details:

Issue Date : 22nd June 2017
 Type of issue : Rs 257, including security premium of Rs. 247/- each.
 Type of specified securities : Equity Shares with par value of Rs 10/- each
 Issue size : A. Fresh Issue : Rs. 4,500.00 Million
 B. Offer for Sale : Rs. 3,266.88 Million

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Sr.	Particular	Reply	Comments of Monitoring Agency (also please refer to note 3 & 4 below)
1.	Whether all the utilization is as per disclosure in Offer Document?	Yes	
2.	Whether Shareholder approval is obtained in case of material deviations# from expenditures disclosed in Offer Document?	Not Applicable	There is no material deviation from the expenditure disclosed in the offer document.
3.	Whether means of finance for disclosed objects of the Issue has changed?	No	
4.	Any major deviation observed over the earlier certificate issued?	Not to our knowledge	
5.	All Government/Statutory approvals related to the work carried out have been obtained	Yes	Based on the Company's representation and confirmation letter dated 02.08.2018
6.	All arrangements pertaining to technical assistance/collaboration are in operation	Not Applicable	
7.	There is no significant favorable events occurred leading to improving object(s) viability	Not to our knowledge	
8.	There is no significant unfavorable events occurred affecting object(s) viability	Not to our knowledge	
9.	There are no other relevant information that may materially affect the work carried out or corresponding decision making of stake holders with reference to the projects.	Not to our knowledge	

Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised: **Not applicable**

b) Deviation in the amount of fund actually utilized by more than 10% of the amount projected in the offer documents.: **Not applicable**



4) **Details of object(s) to be monitored:**

(i) Objects of the Offer-

(Rs in million)

Particulars	Proposed utilization	Comments of Monitoring Agency
Capital expenditure towards payment of salaries and wages of our Research and Development team	452.86	
Working capital requirement	3,030.00	
General corporate purposes [Refer Note 2(b)]	762.05	Please refer to note 2 (b) below
General corporate purposes -Additional (Excess of Offer expenses as estimated in the Prospectus over the actuals) [Refer Note 2(b)]	43.81	Please refer to note 2 (b) below
Total	4,288.72	

(ii) Progress in the objects- during 1st April 2018 to 30th June, 2018

(Rs. In million)

Particulars	Proposed utilization	Actual Utilisation till March 31,2018	Pending utilization as at March 31, 2018	Actual utilization during April 1, 2018 to Jun 30, 2018	Pending utilization as at Jun 30, 2018
(i) Capital expenditure towards payment of salaries and wages of our Research and Development team	452.86	356.49	96.37	96.37	-
(ii) Working capital requirement	3,030.00		-	-	-
- Repayment of working capital borrowings		2,702.81			
- Payments to vendors in the normal course of business		327.19			
(iii) General corporate purposes [Refer Note 2(b)]	762.05	762.05	-	-	-
(iv) General corporate purposes Additional [Refer Note 2(b)]	43.81	43.81	-	-	-
TOTAL	4,288.72	4,192.35	96.37	96.37	-

(iii) Particulars of investment of unutilized funds as on 30th June, 2018: **NIL**

(iv) Delay in implementation of the object(s)- Not to our knowledge

NOTES TO THE MONITORING REPORT DATED 13th AUGUST, 2018

1 As defined in the Prospectus,

(i) 'Fresh Issue' represents the fresh issue of 17,509,727 Equity Shares aggregating to Rs. 4,500 million by the Company,

(ii) 'Offer for Sale' represents the offer for sale of 12,711,605 Equity Shares by the Selling Shareholders at the Offer Price aggregating to Rs. 3,266.88 million,



(iii) 'Net Proceeds' represent proceeds of the Fresh Issue less the Company's share of the Offer expenses.

2 Offer Expenses

(a) Offer expenses represent the expenses incurred by the Company supported by invoices or provided based on contracts and recorded in the books of account upto 30th June, 2018. The actual expenses could differ from the provisions made, based on receipts of final invoices for services rendered.

Particulars	Rs. Million		
	Fresh Issue	Offer for Sale	Total Amount
Offer expenses as estimated in the Prospectus	255.09	183.51	438.60
Less: Offer Expenses	-211.28	-153.22	-364.50
Excess estimated	43.81	30.29	74.10

As mentioned in the Prospectus, all the fees and expenses relating to the Offer other than listing fees (which will be borne by Company) shall be shared between Company and the Selling Shareholders, upon successful completion of the Offer in proportion to the Fresh Issue and Equity Shares sold in the Offer, in accordance with applicable law. The Selling Shareholders shall reimburse Company for all expenses incurred by Company in relation to the Offer for Sale on each of their behalf.

(b) Aforesaid balance excess estimated offer Expenses attributable to Fresh Issue, amounting to Rs. 43.81 Million, is made available for utilisation towards 'General corporate purposes' in addition to the amount mentioned in the Prospectus as identified in D above and shown separately as 'General corporate purposes -Additional' in the D above.

- 3 We understand vide letter dated 2nd August, 2018 provided by the Company that, during the quarter September 2017, the Income Tax Department initiated proceedings under section 132 of the Income tax Act, 1961. 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. The Company is of the view that the outcome of the proceeding will not have any material impact on the Group's results. Post the current quarter, the Company and certain officers of the Company have received Summons under section 276c(1) of the Income Tax Act, 1961 from the Special Court for economic Offences. The Company taking appropriate steps in this matter.
- 4 We understand vide letter dated 2nd August, 2018 provided by the Company that, The Company has received an Order from CESTAT dated July 4, 2018 with respect to applicability of excise duty on the software used as part of multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software will require 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 qualifying the differential duty liability, interest and penalties. Based on the Management's assessment of the CESTAT order, supported by an external legal opinion. Management has concluded that the Company has strong case to defend its position in this matter and accordingly, no provision has been made in this statement results, for the financial impact if any, arising from aforesaid CESTAT Order.

