

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,
Konnapana 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 and nine months period ended December 31, 2023, which are included in the accompanying 'Statement of Unaudited Standalone Financial Results for the quarter and nine months period ended December 31, 2023' (the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the Securities 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
Chartered Accountants



Mohan Danivas S A
Partner

Membership Number : 209136
UDIN : 24209136BKFNDY7428

Place: Bengaluru
Date: January 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

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,
Konnappana 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 and nine months period ended December 31, 2023

Particulars	(Rs in crore except per share data)					
	Quarter ended December 31, 2023	Quarter ended September 30, 2023	Quarter ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year ended March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	538.58	359.21	253.29	1,064.90	584.69	869.08
II Other Income	14.97	18.03	19.74	52.50	57.81	79.14
III Total income (I + II)	553.55	377.24	273.03	1,117.40	642.50	948.22
IV EXPENSES						
(a) Cost of materials consumed	437.99	259.72	168.94	814.58	351.85	528.09
(b) Purchases of stock in trade	-	2.33	9.82	6.73	25.83	31.82
(c) Changes in inventories of stock in trade and finished goods	(18.54)	(14.01)	(11.20)	(37.29)	(15.36)	(0.71)
(d) Employee benefit expense	72.46	61.09	44.80	192.83	121.35	172.16
(e) Finance costs (Refer Note - 4)	4.95	3.80	1.43	10.22	3.76	5.20
(f) Depreciation and amortization expense	42.76	36.26	28.13	108.03	75.38	105.13
(g) Allowance for expected credit loss	11.85	8.45	(12.43)	18.04	(25.35)	(33.32)
(h) Other expenses	49.81	38.20	32.36	121.65	87.69	128.56
Total expenses (IV)	601.28	395.84	261.85	1,234.79	625.15	936.93
V Profit/(Loss) before tax (III - IV)	(47.73)	(18.60)	11.18	(117.39)	17.35	11.29
VI Income tax expense/(benefit)						
(1) Current tax expense/(benefit)	(31.46)	(1.94)	(0.47)	(43.25)	-	-
(2) Deferred tax expense/(benefit)	34.31	(4.68)	6.26	3.07	9.36	8.25
Total tax expense/(benefit)	2.85	(6.62)	5.79	(40.18)	9.36	8.25
VII Profit/(Loss) after tax (V - VI)	(50.58)	(11.98)	5.39	(77.21)	7.99	3.04
VIII Other comprehensive income/(loss)						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation (expense)/benefit	(4.06)	1.81	(1.00)	(2.97)	(4.05)	(2.92)
Income tax relating to above	-	-	(0.53)	-	-	-
Items that will be reclassified to profit or loss						
Gains/(losses) in cash flow hedges	(0.21)	-	-	(0.21)	-	-
IX Total comprehensive income/(loss) for the period (VII + VIII)	(54.85)	(10.17)	3.86	(80.39)	3.94	0.12
X Equity Share Capital (Face value of Rs. 10/- each)	173.35	172.99	156.06	173.35	156.06	171.64
XI Reserves (excluding Revaluation Reserve) as shown in the Audited balance Sheet of the previous year	-	-	-	-	-	2,835.63
XII Earnings/(Loss) per equity share						
Equity shares of par value Rs. 10 each						
(1) Basic	(2.98)	(0.71)	0.35	(4.56)	0.53	0.20
(2) Diluted (Refer Note - 8)	(2.98)	(0.71)	0.32	(4.56)	0.50	0.19



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Notes

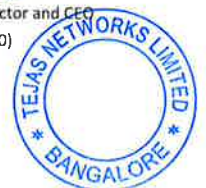
- 1 This Statement of unaudited standalone financial results for the quarter and nine months period ended December 31, 2023 has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, 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's operations comprise of only one segment viz. telecom and data networking related products and related services.
- 3 The Company has, at various grant dates, issued Restricted Stock Units (RSUs) to its employees and employees of its subsidiaries at face value of the Company's equity shares, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended December 31, 2023, an amount of Rs. 17.71 crore (September 30, 2023: Rs. 21.56 crore; December 31, 2022: Rs. 10.65 crore), net of recoveries from subsidiaries, has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payment'. The RSUs granted and outstanding as at December 31, 2023, aggregates to 39,92,259 (September 30, 2023: 43,22,308; December 31, 2022: 38,87,343). The ESOPs granted and outstanding as at December 31, 2023, aggregates to 10,51,798 (September 30, 2023: 10,60,278; December 31, 2022: 20,32,109).
- 4 Finance cost for the quarter and nine months period ended December 31, 2023 includes interest cost of Rs. 0.60 crore (September 30, 2023: Rs. Nil; December 31, 2022: Rs. Nil) pertaining to interest on working capital facilities obtained by the Company during the current quarter.
- 5 The Company during the quarter ended September 30, 2022, acquired 64.40% of equity shares in Saankhya Labs Private Limited (Saankhya Labs) through secondary purchase at a price of Rs. 454.19 per equity share amounting to Rs. 283.94 crore. On July 08, 2022, Saankhya Labs has acquired 100% shareholding in Saankhya Strategic Electronics Private Limited (SSE). Consequent to such acquisition Saankhya Labs and SSE have become subsidiary and a step-down subsidiary of the Company with effect from July 01, 2022 and July 08, 2022 respectively.

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 and on July 6, 2023 both the Stock Exchanges have conveyed their "No Objection" to the Scheme. Further, on July 27, 2023, the Company has filed the merger application under Section 230 and 232 of the Companies Act, 2013 with National Company Law Tribunal (NCLT) Bangalore, for the merger of Transferor Companies with the Company. The National Company Law Tribunal, Special Bench, Bangalore vide its order dated December 7, 2023 directed the Company to convene a meeting of Equity Shareholders and Unsecured Creditors of the company to be held on February 9, 2024 for approval of the amalgamation / merger. The Scheme is subject to receipt of necessary approvals from shareholders, creditors and NCLT and such other persons and authorities as may be required. Upon implementation of the Scheme, the shareholders holding 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 will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.
- 6 The Company has received approval from the Department of Telecommunication (DOT) under the Production Linked Incentive (PLI) Scheme communicated vide SIDBI's (Project Management Agency 'PMA') letter dated October 31, 2022. During the quarter ended September 30, 2023, the Company has made an application to claim incentive for the year ended March 31, 2023 for an amount of Rs. 32.68 crore and is awaiting approval from the DOT in this regard. The Company has not recognised this incentive claim pending such approval.
- 7 During the quarter ended September 30, 2023, the Company has received purchase orders from Tata Consultancy Services Limited amounting to Rs. 7,492 crore (excluding Goods and Services Tax) and has received a mobilization advance of Rs. 750 crore towards supply of Radio Access Network equipment for approximately 1,00,000 sites of BSNL Pan-India 4G/5G network.
- 8 Potentially issuable equity shares, on account of Share Options/RSUs issued to employees and share warrants, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share if they are anti-dilutive for the period presented.
- 9 Previous period's figures have been regrouped/reclassified wherever necessary, to confirm with the current period's presentation for the purpose of comparability.
- 10 The above statement of unaudited standalone financial results were 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 19, 2024. The Statutory Auditors of the Company have carried out Limited Review of the aforesaid results.

Place: Bengaluru
Date: January 19, 2024

For and on behalf of the Board of Directors

Anand B. Attureya
Managing Director and CEO
(DIN: 10118880)



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