



Press Release

Tejas Networks announces consolidated results for quarter ended June 30, 2018

***Revenue (net of taxes and pass-through component sale) grew by 16.0% year-on-year
Net profit grew by 120.3% year-on-year***

Bengaluru, July 23, 2018: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the first quarter ended June 30, 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 June 30, 2018, our consolidated revenues (net of taxes and pass-through component sale) were ₹ 232.0 crore which was a year-on-year growth of 16.0% and sequential growth of 135.1%. Operating profit was at ₹ 45.3 crore which was 19.5% of our revenues (net) as against 14.1% for Q1 2018. Our profit after tax was ₹ 45.0 crore which was a year-on-year increase of 120.3%. Our PAT as percentage of net revenue increased from 10.2% in Q1 2018 to 19.4% in Q1 2019.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We had a solid quarter of revenue and profitability growth. Our India business continues to show robust growth due to increased demand for data and Indian government's focus in rolling out broadband networks. While we expect India to continue to be a large part of our business during this year, we see strong momentum in our international business, across South-East Asia, Africa, Mexico and USA. During the quarter, we received orders from seven new international customers. With a strong pipeline of orders and many active engagements, we are confident of strong growth this year."

The increased use of data by consumers, businesses and governments results in an increased demand for our optical transmission equipment. The advent of 5G and IOT, densification of fiber networks and proliferation of cloud services, continues to provide a long-term growth opportunity for our business, since our customers need to enhance their network infrastructure.

Mr. Venkatesh Gadiyar, CFO said, "We made a good start to the year with strong revenue growth and increased profitability on account of higher gross margins. As a deep-technology company, we stay committed to invest in R&D, which has seen a year-on-year increase of 37% on a gross basis. We will continue to tightly manage our working capital and expect to see some improvement during the year. We have a strong balance sheet to support our growth and our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, stood at ₹ 508.9 crore."

During the quarter, we were granted 2 patents resulting in a cumulative grant of 78 patents. As on date, we have filed for 342 patents. We also won the "Best Exporter Award" from Federation of Karnataka Chambers of Commerce and Industry.

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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 342 patents.

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

Investor Relations: ir@india.tejasnetworks.com

Attn: Mr. Santosh Kesavan: skeshavan@india.tejasnetworks.com Phone: +91 80 41794600

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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)

	June 30, 2018	March 31, 2018
ASSETS		
Non-current assets		
Property, plant and equipment	30.80	35.98
Intangible assets	46.82	38.75
Intangible assets under development	46.88	46.85
Financial assets		
Trade receivables	51.30	34.84
Loans	5.89	5.44
Other financial assets	0.04	0.04
Income tax asset (net)	32.53	32.01
Deferred Tax Asset	126.16	121.16
Other non-current assets	0.36	0.34
Total non - current assets	340.78	315.41
Current assets		
Inventories	166.48	190.89
Financial assets		
Investments	41.28	76.52
Trade receivables	361.06	275.71
Cash and cash equivalents	37.05	214.19
Bank deposits with maturity of more than 3 months but less than 12 months	121.95	16.95
Balance held as margin money	0.04	4.81
Loans	1.15	0.62
Other financial assets	317.27	213.40
Other current assets	15.08	21.27
Total current assets	1,061.36	1,014.36
Total assets	1,402.14	1,329.77
EQUITY AND LIABILITIES		
Equity		
Share capital	94.30	94.09
Other equity	1,110.54	1,057.99
Total equity	1,204.84	1,152.08
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1.00	1.00
Provisions	1.29	1.14
Total non - current liabilities	2.29	2.14
Current liabilities		
Financial liabilities		
Trade payables	105.44	105.03
Other financial liabilities	57.17	53.30
Provisions	7.61	6.89
Current tax liabilities (Net)	4.86	-
Other current liabilities	19.93	10.33
Total current liabilities	195.01	175.55
Total equity and liabilities	1,402.14	1,329.77

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Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
Revenue from operations*	235.83	102.13	219.31	767.44
Other Income	9.65	10.06	4.50	27.83
Total Revenue	245.48	112.19	223.81	795.27
Expenses				
Cost of materials consumed	111.64	43.00	125.94	400.06
Employee benefit expense	32.56	20.48	22.78	92.26
Finance costs	3.32	1.55	6.82	13.40
Depreciation and amortization expense	17.20	11.83	16.86	61.27
Other expenses	29.12	27.91	25.60	122.24
Total Expenses	193.84	104.77	198.00	689.23
Profit before tax	51.64	7.42	25.81	106.04
Current tax	11.61	2.61	5.37	23.78
Deferred tax	(5.00)	(24.26)	-	(24.26)
Profit after tax	45.03	29.07	20.44	106.52
Other comprehensive income	(0.82)	0.09	(0.35)	(1.76)
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit liabilities / (asset)	(0.05)	0.39	(0.38)	(1.61)
Items that may be reclassified to profit or loss				
Exchange differences in translating the financial statements of foreign operations	(0.77)	(0.30)	0.03	(0.15)
Total comprehensive income for the period	44.21	29.16	20.09	104.76
Earnings per equity share of Rs. 10 each				
Basic (₹)	4.95	3.21	2.78	12.41
Diluted (₹)	4.70	3.04	2.65	11.73
Weighted average equity shares used in computing earnings per equity share				
Basic	9,09,03,642	9,04,73,874	7,33,69,609	8,58,58,425
Diluted	9,58,14,581	9,54,43,272	7,69,65,392	9,08,27,823

*Revenue from operations for the quarter ended June 30, 2017 was inclusive of excise duty Rs. 17.64 crore. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter ended June 30, 2018 is net of the related GST Rs. 38.69 crore. Accordingly, the revenue for the current quarter and the corresponding quarter are not strictly comparable. On a comparable basis, revenue, net of such taxes for the quarter ended June 30, 2018 is higher by 17% in comparison to the corresponding quarter.

Supplementary Information

Particulars	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
Revenue from operations	235.83	102.13	219.31	767.44
Less: Excise Duty	-	-	17.64	17.64
Revenue (net of taxes)	235.83	102.13	201.67	749.80
Less: Sale of Components	3.79	3.42	1.56	9.93
Revenue (net of taxes and component sales)	232.04	98.71	200.11	739.87
Year on Year Growth	16.0%			

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