



**Tejas Networks announces consolidated results for quarter ended December 31, 2019**  
**Q3 revenue ₹ 85.4 crore and nine months revenue was ₹ 327.1 crore**  
**Q3 PBT (₹ 14.8) crore and nine months PBT was (₹ 12.0) crore**

**Bengaluru, January 21, 2020:** Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the third quarter ended December 31, 2019. 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 Q3, 2020, consolidated revenues (net of pass-through component sale) were ₹ 85.4 crore which was a year-on-year decline of 51.5%. Decline in revenues resulted in a loss before tax of ₹ 14.8 crore since a majority of costs such as R&D, are linked to manpower and are fixed in nature, as compared to a profit of ₹ 24.9 crore for corresponding previous period. The weak revenue during the quarter was primarily due to sharp decline in revenues from India Government segment, which had a year-on-year decline of 86% for nine months ended December 31, 2019. There was a reversal of deferred tax assets of ₹ 97.9 during the quarter, resulting in an after tax loss of ₹ 112.1 crore.

For the nine months ended December 31, 2019, revenues (net of pass-through component sale) were ₹ 327.1 crore, which was a year-on-year decline of 46.5%. As a result, for nine months, loss before tax was ₹ 12.0 crore, against a profit before tax of ₹ 112.9 for the corresponding period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "Indian telecom sector is undergoing major financial stress which has resulted in tight capex by all operators. Due to our significant dependence on India, which contributed to 79% of our total revenues last FY, we have seen an adverse impact on our financial performance during the current FY. As a part of our medium term goal of getting 50% of our revenues from international, we continue to focus on growing our international business and have made significant progress during the year in terms of new customer wins and increasing our sales investments in our target geographies. We expect healthy YoY growth for our international business during the current FY. At a macro level, growth drivers of our business remain healthy with increased broadband penetration, cloudification and adoption of 5G."

Mr. Venkatesh Gadiyar, CFO said, "During Q3, our cash position improved by ₹ 6 crore and our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, stood at ₹ 296 crore. During the quarter, our overall DSO improved marginally, and we also started to receive some amount of long-overdue payments from BSNL for the Bharatnet project. We are practically debt-free and we have a strong balance sheet to support our growth plans. We expect to see further improvement to our cash position by end of Q4"

As on date, we have filed for 349 patents and during the quarter, we were granted 3 patent bringing our cumulative grant to 112 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 349 patents.

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

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**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 Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended Dec 31, 2019	Quarter ended Sep 30, 2019	Quarter ended Dec 31, 2018	Nine months ended Dec 31, 2019	Nine months ended Dec 31, 2018	Year ended March 31, 2019
Revenue from operations	86.66	87.42	184.33	335.97	627.19	900.32
Other Income	6.19	6.89	9.30	20.13	29.82	36.69
<b>Total Income</b>	<b>92.85</b>	<b>94.31</b>	<b>193.63</b>	<b>356.10</b>	<b>657.01</b>	<b>937.01</b>
<b>Expenses</b>						
Cost of materials consumed	42.98	35.22	95.28	172.02	318.11	463.70
Employee benefit expense	25.83	22.57	27.60	74.86	89.97	123.66
Finance costs	0.70	2.51	4.54	6.65	11.93	17.00
Depreciation and amortization expense	20.33	18.24	16.19	56.16	48.43	65.88
Other expenses	17.79	23.24	25.11	58.45	75.63	116.75
<b>Total Expenses</b>	<b>107.63</b>	<b>101.78</b>	<b>168.72</b>	<b>368.14</b>	<b>544.07</b>	<b>786.99</b>
<b>Profit before tax</b>	<b>(14.78)</b>	<b>(7.47)</b>	<b>24.91</b>	<b>(12.04)</b>	<b>112.94</b>	<b>150.02</b>
Current tax	(0.66)	(1.54)	(2.93)	-	16.59	19.63
Deferred tax	97.94	(1.55)	(5.00)	98.55	(15.00)	(16.85)
<b>Profit after tax</b>	<b>(112.06)</b>	<b>(4.38)</b>	<b>32.84</b>	<b>(110.59)</b>	<b>111.35</b>	<b>147.24</b>
<b>Other comprehensive income</b>	<b>0.07</b>	<b>0.62</b>	<b>(0.95)</b>	<b>0.62</b>	<b>0.38</b>	<b>(0.95)</b>
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation	0.03	0.23	(0.15)	0.22	(0.46)	(1.72)
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	0.04	0.39	(0.80)	0.40	0.84	0.77
<b>Total comprehensive income for the period</b>	<b>(111.99)</b>	<b>(3.76)</b>	<b>31.89</b>	<b>(109.97)</b>	<b>111.73</b>	<b>146.29</b>
<b>Earnings per equity share of ₹ 10 each</b>						
Basic (₹)	(12.16)	(0.47)	3.59	(12.02)	12.21	16.13
Diluted (₹)	(12.16)	(0.47)	3.41	(12.02)	11.58	15.39
<b>Weighted average equity shares used in computing earnings per equity share</b>						
Basic	9,21,28,349	9,20,06,222	9,14,49,872	9,19,93,023	9,12,08,521	9,13,08,108
Diluted	9,21,28,349	9,20,06,222	9,64,16,160	9,19,93,023	9,61,74,809	9,56,67,708

Supplementary Information

Particulars	Quarter ended Dec 31, 2019	Quarter ended Sep 30, 2019	Quarter ended Dec 31, 2018	Nine months ended Dec 31, 2019	Nine months ended Dec 31, 2018	Year ended March 31, 2019
Revenue from operations	86.66	87.42	184.33	335.97	627.19	900.32
Less: Sale of Components	1.25	2.33	8.17	8.86	16.30	23.59
Revenue (net of component sales)	85.41	85.09	176.16	327.11	610.89	876.73
Year on Year decline	-51.5%			-46.5%		

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Tejas Networks Limited and subsidiaries  
Consolidated Balance Sheet as at

(in ₹ crore, except share data)

	December 31, 2019	March 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31.05	30.68
Right-of-use asset	22.61	-
Intangible assets	63.01	68.44
Intangible assets under development	64.88	41.38
<b>Financial assets</b>		
Trade receivables	30.94	42.81
Loans	5.63	4.38
Other financial assets	0.04	0.12
Income tax asset (net)	46.02	36.92
Deferred Tax Asset	41.70	138.00
Other non-current assets	0.23	0.14
<b>Total non - current assets</b>	<b>306.11</b>	<b>362.87</b>
<b>Current assets</b>		
Inventories	245.01	181.39
<b>Financial assets</b>		
Investments	102.54	86.55
Trade receivables	473.21	622.12
Cash and cash equivalents	53.35	16.90
Bank deposits with maturity of more than 3 months but less than 12 months	79.70	106.11
Balance held as margin money	0.02	0.04
Loans	1.75	0.95
Other financial assets	69.18	180.44
Other current assets	33.58	27.91
<b>Total current assets</b>	<b>1,058.34</b>	<b>1,222.41</b>
<b>Total assets</b>	<b>1,364.45</b>	<b>1,585.28</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	95.42	94.99
Other equity	1,111.74	1,225.25
<b>Total equity</b>	<b>1,207.16</b>	<b>1,320.24</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	23.33	-
Provisions	0.59	1.75
<b>Total non - current liabilities</b>	<b>23.92</b>	<b>1.75</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	-	-
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	18.82	26.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	48.62	136.70
Lease liabilities	5.94	-
Other financial liabilities	44.29	81.72
Provisions	9.90	8.14
Other current liabilities	5.80	9.90
<b>Total current liabilities</b>	<b>133.37</b>	<b>263.29</b>
<b>Total equity and liabilities</b>	<b>1,364.45</b>	<b>1,585.28</b>

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