



Press Release

Tejas Networks announces consolidated results for quarter and year ended March 31, 2018

FY 18 Revenues (net of taxes and pass-through component sale) were at Rs 739.9 Crore

Profit after tax was at Rs 106.5 crore

Q4'18 Revenues (net of taxes and pass-through component sale) were at Rs 98.7 Crore

Profit after tax was at Rs 29.1 crore

Bengaluru, April 24, 2018: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the fourth quarter and year ended March 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 year ended March 31, 2018, our consolidated revenues (net of taxes and pass-through component sale) were Rs. 739.9 crore which was a year-on-year decline of 9.6% and our profit before tax and exceptional item was Rs 106 crore which was an year-on-year increase of 26.0%. For Q4'18 our consolidated revenues (net of taxes and pass-through component sale) were Rs 98.7 crore, a decline of 61.2% and our net profit after tax of Rs 29.1 crore, a decline of 56.7% on a year-on-year basis.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "Revenue decline during the year is primarily due to late receipt of a few large orders. However, we ended the year with a healthy backlog of Rs 579 crore, which gives us the necessary momentum for a strong revenue growth in the coming year."

The fundamental growth drivers of our business continue to be strong. Globally, the increased use of mobile data as well as broadband by consumers, businesses and governments, results in an increased demand for our optical transmission equipment. With expansion of 4G networks and advent of 5G and IOT in future, we expect this trend to continue for the next few years. During fiscal 2018, our India revenues were strong, particularly in the government sector. Our international business is going through a transition, where we saw a decline in revenues from our OEM customers, while we increased our focus on building our direct sales. Our continued investment in international direct sales is showing positive signs, as we see strong business momentum building up across customers in SE Asia, Africa and USA. India will continue to lead our growth with increased capex in fiber optic infrastructure by telecom operators and execution of government projects such as Bharatnet Phase 2. However, due to the nature of our business, our revenue on a quarter-on-quarter basis will continue to be lumpy.

Mr. Venkatesh Gadiyar, CFO said, "We continue to see good progress in our working capital management which saw a reduction of Rs 133.1 crore for the year. Our cash and cash equivalents including investment in liquid mutual funds and deposits with financial institutions at the end of the year was Rs 512.7 crore. We announced a new capital allocation policy of paying upto 25% of our free cash flows as dividend (including dividend distribution tax) every year. We believe we have a strong balance sheet to support our future growth."

During the year, we were granted 20 patents resulting in a cumulative grant of 76 patents. As on date, we have filed for 341 patents.



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 65 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 341 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.



Tejas Networks Limited and subsidiaries
Consolidated Balance Sheet as at

(in ` crore, except share data)

	March 31, 2018	March 31, 2017	April 01, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	35.98	27.99	29.10
Intangible assets	38.75	64.09	65.19
Intangible assets under development	46.85	18.62	51.80
Financial assets			
Trade receivables	34.84	14.56	5.87
Loans	5.44	4.98	4.12
Other financial assets	0.04	99.22	25.00
Income tax asset (net)	32.01	22.61	17.48
Deferred Tax Asset	121.16	96.90	56.41
Other non-current assets	0.34	0.80	0.53
Total non - current assets	315.41	349.77	255.50
Current assets			
Inventories	190.89	181.72	231.69
Financial assets			
Investments	76.52	-	-
Trade receivables	275.71	382.87	370.04
Cash and cash equivalents	214.19	31.06	49.29
Bank deposits with maturity of more than 3 months but less than 12 months	16.95	6.17	-
Balance held as margin money	4.81	33.79	20.25
Loans	0.62	16.03	15.57
Other financial assets	213.40	7.06	15.58
Other current assets	21.27	25.99	32.21
Total current assets	1,014.36	684.69	734.63
Total assets	1,329.77	1,034.46	990.13
EQUITY AND LIABILITIES			
Equity			
Share capital	94.09	74.01	66.52
Other equity	1,057.99	518.93	328.35
Total equity	1,152.08	592.94	394.87
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	1.00	2.00	29.00
Provisions	1.14	2.10	1.11
Total non - current liabilities	2.14	4.10	30.11
Current liabilities			
Financial liabilities			
Borrowings	-	252.30	338.94
Trade payables	105.03	107.83	161.83
Other financial liabilities	53.30	60.09	48.89
Provisions	6.89	4.64	3.39
Other current liabilities	10.33	12.56	12.10
Total current liabilities	175.55	437.42	565.15
Total equity and liabilities	1,329.77	1,034.46	990.13



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations*	102.13	229.87	272.99	767.44	932.58
Other Income	10.06	6.80	1.28	27.83	8.66
Total Revenue	112.19	236.67	274.27	795.27	941.24
Expenses					
Cost of materials consumed	43.00	114.33	158.54	400.06	572.00
Employee benefit expense	20.48	25.57	22.71	92.26	84.69
Finance costs	1.55	3.49	8.08	13.40	31.81
Depreciation and amortization expense	11.83	15.29	15.88	61.27	56.42
Other expenses	27.91	39.23	44.50	122.24	112.16
Total Expenses	104.77	197.91	249.71	689.23	857.08
Profit before exceptional items and tax	7.42	38.76	24.56	106.04	84.16
Exceptional Items	-	-	-	-	30.47
Profit before tax	7.42	38.76	24.56	106.04	53.69
Current tax	2.61	8.62	(2.04)	23.78	1.20
Deferred tax	(24.26)	-	(40.49)	(24.26)	(40.49)
Profit after tax	29.07	30.14	67.09	106.52	92.98
Other comprehensive income	0.09	(0.35)	0.58	(1.76)	0.58
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit liabilities / (asset)	0.39	(0.55)	0.37	(1.61)	0.30
Items that may be reclassified to profit or loss					
Exchange differences in translating the financial statements of foreign operations	(0.30)	0.20	0.21	(0.15)	0.28
Total comprehensive income for the period	29.16	29.79	67.67	104.76	93.56
Earnings per equity share of Rs. 10 each					
Basic (₹)	3.21	3.35	9.62	12.41	14.09
Diluted (₹)	3.04	3.16	9.62	11.73	14.09
Weighted average equity shares used in computing earnings per equity share					
Basic	9,04,73,874	8,99,46,198	6,97,54,945	8,58,58,425	6,59,77,758
Diluted	9,54,43,272	9,53,18,756	6,97,54,945	9,08,27,823	6,59,77,758

*Revenue from operations for the quarter and year ended March 31, 2017 was inclusive of excise duty Rs. 17.64 crore and Rs. 57.95 crore respectively. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter and year ended March 31, 2018 is net of the related GST Rs. 9.33 crore and Rs. 70.56 crore respectively. Accordingly, the revenue for the current quarter/year and the corresponding quarter/year are not strictly comparable. On a comparable basis, revenue, net of such taxes for the quarter and year ended March 31, 2018 is lower by 60% and 14% respectively in comparison to the corresponding quarter and year ended March 31, 2017.

Supplementary Information

Particulars	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	102.13	229.87	272.99	767.44	932.58
Less: Excise Duty	-	-	17.64	17.64	57.95
Revenue (net of taxes)	102.13	229.87	255.35	749.80	874.63
Less: Sale of Components	3.42	3.72	1.26	9.93	55.74
Revenue (net of taxes and component sales)	98.71	226.15	254.08	739.87	818.89
Year on Year Growth	-61.2%			-9.6%	

Profit after tax (before exceptional item)	29.07	30.14	67.09	106.52	123.45
Earnings per equity share of Rs. 10 each (before exceptional item)					
Basic (₹)	3.21	3.35	9.62	12.41	18.71
Diluted (₹)	3.04	3.16	9.62	11.73	18.71
Weighted average equity shares used in computing earnings per equity share					
Basic	9,04,73,874	8,99,46,198	6,97,54,945	8,58,58,425	6,59,77,758
Diluted	9,54,43,272	9,53,18,756	6,97,54,945	9,08,27,823	6,59,77,758