

January 19, 2018

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,

Sub: Outcome of Board Meeting

This is with reference to our letter dated January 05, 2018 informing about the Board Meeting scheduled on January 19, 2018.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Friday, January 19, 2018 at Bangalore, has inter alia considered and approved the following:

1. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the unaudited financial results (standalone and consolidated) as per IND-AS for the quarter and nine-months ended December 31, 2017 together with the Limited review report of the Statutory Auditors for the said period is enclosed as Annexure - A.
2. Approved the re-appointment of Amb. Leela K Ponappa as Independent Director of the Company subject to the approval of the Shareholders for a further period of 5 (five) years with effect from February 16, 2018.
3. Grant of 8,000 Restricted Stock Units, under Tejas Restricted Stock Unit Plan 2017 to new employees based on the recommendations of the Nomination and Remuneration Committee.
4. Allotment of 64,079 Equity Shares of the Company pursuant to exercise of stock options by eligible employees under the respective Stock Option Plans.

We also hereby enclose:

- a) Copy of the press release proposed to be issued with respect of the said financial results as Annexure – B.
- b) Extracts of the unaudited financial results (Standalone and Consolidated) for the quarter and nine-months ended December 31, 2017 being published in the newspapers as Annexure – C.



www.tejasnetworks.com

Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City, Phase 1
Hosur Road, Bengaluru 560 100, India.
CIN : U72900KA2000PLC026980
Email : corporate@tejasnetworks.com
Tel: +91-80-4179 4600/700/800
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- c) Brief profile of Amb. Leela K Ponappa who is appointed as Independent Director as Annexure - D.
- d) Conference Call Invite: In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Management will host a conference call to discuss the Company's performance on Friday, January 19, 2018 at 4.00 P M (IST). The details of the conference call is enclosed herewith as Annexure - E.

The above information is also being made available on the website of the Company at www.tejasnetworks.com.

Kindly take the above information on record.

Thanking you,

Yours sincerely
For Tejas Networks Limited



G V Krishnakanth
Company Secretary & Compliance Officer



Encl: a/a

Tejas Networks Limited

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,
Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.
Corporate Identity Number: U72900KA2000PLC026980
Tel: +91 80 4179 4600; Fax: +91 80 2852 0201
E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

Statement of Standalone Unaudited Results for the quarter and nine months ended December 31, 2017

(Rs. in Lakhs except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I Revenue from operations*	22,898	21,610	28,845	66,282	65,212
II Other Income	684	646	187	1,784	590
III Total Revenue (I + II)	23,582	22,256	29,032	68,066	65,802
IV EXPENSES					
(a) Cost of materials consumed	11,422	11,677	16,221	33,938	37,442
(b) Excise duty on sale of goods	-	-	2,151	1,764	4,030
(c) Employee benefits expense	2,468	2,280	2,025	6,953	5,965
(d) Finance costs	351	149	637	1,183	2,329
(e) Depreciation and amortization expense	1,529	1,729	1,274	4,944	4,054
(f) Other expenses	3,716	2,957	2,725	9,167	6,988
Total Expenses (IV)	19,486	18,792	25,033	57,949	60,808
V Profit before exceptional items and tax (III - IV)	4,096	3,464	3,999	10,117	4,994
VI Exceptional Items	-	-	3,047	-	3,047
VII Profit before tax (V - VI)	4,096	3,464	952	10,117	1,947
VIII Tax Expense					
(1) Current tax	863	717	222	2,117	222
Total tax expense	863	717	222	2,117	222
IX Profit after tax (VII - VIII)	3,233	2,747	730	8,000	1,725
X Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit liabilities / (assets)	(55)	(107)	(12)	(200)	(7)
XI Total comprehensive income for the period (IX + X)	3,178	2,640	718	7,800	1,718
XII Earnings per equity share of Rs. 10 each					
(1) Basic	3.60	3.07	1.18	9.49	2.91
(2) Diluted	3.39	2.90	1.18	8.92	2.91

* Refer Note 1





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Notes

- Revenue from operations for the quarter ended December 31, 2016 was inclusive of excise duty Rs. 2,151 lakhs. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter ended December 31, 2017 is net of the related GST Rs. 2,897 lakhs. Accordingly, the revenue for the current quarter and the corresponding quarter of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes for the quarter ended December 31, 2017 is lower by 14% in comparison to the corresponding quarter of the previous year.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('SEBI Circular'). Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016.
- The Company's operations comprises only of one segment viz. of Networking equipment.
- The Ind AS compliant corresponding figures for the quarter ended December 31, 2016 including the reconciliation of the total comprehensive income as set out in Note 6 below have not been subjected to review by the Statutory Auditors (also refer Note 7 below). However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its financial performance.
- The statement does not include Ind AS compliant statement of financials results for the previous year ended March 31, 2017 since the disclosure is not mandatory as per the SEBI Circular.
- The reconciliation of net profit reported as per Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	(Rs. in Lakhs)	
	Quarter ended December 31, 2016	Nine months ended December 31, 2016
Profit after tax as per Indian GAAP	1,021	2,245
Add/(Less): Adjustments under IND AS		
Impact of recognition of employee stock option at fair value	(218)	(586)
Net impact on fair valuation of security deposit	(1)	(2)
Discounting of long term warranty provision	2	15
Impairment of trade receivables using lifetime expected credit loss method	(148)	17
Net impact on fair valuation of long-term receivables	7	(73)
Fair valuation of derivatives	67	138
Impact of effective interest rate on government loans	(12)	(36)
Re-measurements of the defined benefit plans- to be classified as other comprehensive income	12	7
Net Profit as per Ind AS	730	1,725
Other comprehensive income for the period		
Re-measurements of the defined benefit plans- to be classified as other comprehensive income	(12)	(7)
Total comprehensive income under Ind AS	718	1,718

- During the quarter ended June 30, 2017, the Company has completed an Initial Public Offer ('IPO') and has allotted 1,75,09,727 equity shares of Rs. 10/- each at a premium of Rs 247/- per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from June 27, 2017. There is no deviation in use of proceeds from the objects stated in the offer document, during the current quarter. Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 became applicable to the Company post its listing on BSE and NSE as mentioned above. Since the results for the quarter ended December 31, 2016 were not published under the Indian GAAP (Previous GAAP), the reconciliation of Profit under Previous GAAP to Total Comprehensive Income under Ind AS was not subjected to review.
- During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961 and had issued restraint order on certain bank accounts and deposits of the Company and later the restraint order was withdrawn. 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 proceedings will not have any material impact on the Company's results.
- As at quarter end, the Company has factored receivables on a non-recourse basis in the normal course of business pertaining to customer with banker under factoring agreement and has derecognized such receivables amounting to Rs 9,962 lakhs in accordance with Ind AS 109 - Financial Instruments.
- Previous period's figures have been regrouped/reclassified to conform to the current period's presentation for the purpose of comparability.
- The above statement of financial results was reviewed by the Audit Committee of the Board on January 18, 2018 and subsequently approved by the Board of Directors at its meeting held on January 19, 2018. The Statutory Auditors of the Company have carried out a limited review of this statement of financial results for the quarter ended December 31, 2017.

For and on behalf of the Board of Directors


Sanjay Nayak

Managing Director & CEO
(DIN: 01049871)

Place: Bengaluru
Date: January 19, 2018



Price Waterhouse Chartered Accountants LLP

The Board of Directors
Tejas Networks Limited,
5th Floor, J P Software Park,
Plot No 25, Sy. No 13, 14, 17, 18,
Konnapana Agrahara Village,
Begur Hobli, Bangalore – 560100

1. We have reviewed the unaudited financial results of Tejas Networks Limited (the “Company”) for the quarter ended December 31, 2017, which are included in the accompanying ‘Statement of Standalone Unaudited Results for the quarter and nine months ended December 31, 2017’ together with the notes thereon (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”) and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company’s Management and has been approved by its Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company’s opening unaudited Balance Sheet as at April 01, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2017 with a transition date of April 1, 2016, and accordingly, the Statement has been prepared by the Company’s Management in compliance with Ind AS.
 - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on December 31, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended December 31, 2016. As set out in Notes 4 and 7 to the Statement, these figures have been furnished by the Management.



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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/IN500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

- c. The standalone financial results of the Company for the quarter ended June 30, 2017 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, were reviewed by another firm of chartered accountants who, vide their report dated August 03, 2017, expressed an unmodified conclusion on those financial results.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Pradip Kanakia
Partner
Membership Number: 039985

Place: Bengaluru
Date: January 19, 2018



Tejas Networks Limited

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Statement of Consolidated Unaudited Results for the quarter and nine months ended December 31, 2017

(Rs. in Lakhs except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I Revenue from operations*	22,987	21,613	28,880	66,531	65,959
II Other Income	680	647	203	1,777	738
III Total Revenue (I + II)	23,667	22,260	29,083	68,308	66,697
IV EXPENSES					
(a) Cost of materials consumed	11,433	11,679	15,978	33,942	37,316
(b) Excise duty on sale of goods	-	-	2,151	1,764	4,030
(c) Employee benefits expense	2,557	2,343	2,113	7,178	6,198
(d) Finance costs	349	154	661	1,185	2,373
(e) Depreciation and amortization expense	1,529	1,729	1,274	4,944	4,054
(f) Other expenses	3,923	2,950	2,369	9,433	6,766
Total Expenses (IV)	19,791	18,855	24,546	58,446	60,737
V Profit before exceptional items and tax (III - IV)	3,876	3,405	4,537	9,862	5,960
VI Exceptional Items	-	-	3,047	-	3,047
VII Profit before tax (V - VI)	3,876	3,405	1,490	9,862	2,913
VIII Tax Expense					
(1) Current tax	862	718	324	2,117	324
Total tax expense	862	718	324	2,117	324
IX Profit after tax (V - VI)	3,014	2,687	1,166	7,745	2,589
X Other comprehensive income					
a Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit liabilities / (assets)	(55)	(107)	(12)	(200)	(7)
b Items that may be reclassified to profit or loss					
Exchange differences in translating the financial statements of foreign operations	20	(8)	7	15	7
XI Total comprehensive income for the period (IX + X)	2,979	2,572	1,161	7,560	2,589
XII Earnings per equity share of Rs. 10 each					
(1) Basic	3.35	3.00	1.88	9.18	4.36
(2) Diluted	3.16	2.84	1.88	8.63	4.36

* Refer Note 1





Tejas Networks Limited

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Notes

- Revenue from operations for the quarter ended December 31, 2016 was inclusive of excise duty Rs. 2,151 lakhs. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter ended December 31, 2017 is net of the related GST Rs. 2,897 lakhs. Accordingly, the revenue for the current quarter and the corresponding quarter of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes for the quarter ended December 31, 2017 is lower by 14% in comparison to the corresponding quarter of the previous year.
- The Statement includes the results of the following subsidiaries/ step down subsidiary:
 - Tejas Communication Pte Limited, Singapore
 - Tejas Israel Limited,
 - vSave Energy Pvt. Limited and
 - Tejas Communication (Nigeria) Limited
- These financial results of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('SEBI Circular'). Beginning April 1, 2017, the Group has for the first time adopted Ind AS with a transition date of April 1, 2016.
- The Group's operations comprises only of one segment viz. of Networking equipment.
- The Ind AS compliant corresponding figures for the quarter ended December 31, 2016 including the reconciliation of the total comprehensive income as set out in Note 7 below have not been subjected to review by the Statutory Auditors (also refer Note 8 below). However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its financial performance.
- The statement does not include Ind AS compliant statement of financials results for the previous year ended March 31, 2017 since the disclosure is not mandatory as per the SEBI Circular.
- The reconciliation of consolidated net profit as per Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	(Rs. in Lakhs)	
	Quarter ended December 31, 2016	Nine months ended December 31, 2016
Consolidated profit after tax as per Indian GAAP	1,457	3,109
Add/(Less): Adjustments under IND AS		
Impact of recognition of employee stock option at fair value	(218)	(586)
Net impact on fair valuation of security deposit	(1)	(2)
Discounting of long term warranty provision	2	15
Impairment of trade receivables using lifetime expected credit loss method	(148)	17
Net impact on fair valuation of long-term receivables	7	(73)
Fair valuation of derivatives	67	138
Impact of effective interest rate on government loans	(12)	(36)
Re-measurements of the defined benefit plans- to be classified as other comprehensive income	12	7
Net Profit as per Ind AS	1,166	2,589
Other comprehensive income for the period		
Re-measurements of the defined benefit plans classified as other comprehensive income	(12)	(7)
Exchange differences in translating the financial statements of foreign operations	7	7
Total comprehensive income under Ind AS	1,161	2,589

- During the quarter ended June 30, 2017, the Company has completed an Initial Public Offer ('IPO') and has allotted 1,75,09,727 equity shares of Rs. 10/- each at a premium of Rs 247/- per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from June 27, 2017. Regulation 33 of the Listing Regulations became applicable to the Company post its listing on BSE and NSE as mentioned above. Since the Consolidated results for the quarter ended December 31, 2016 were not published under the Indian GAAP (Previous GAAP), the reconciliation of Consolidated Profit under Previous GAAP to Total Comprehensive Income under Ind AS was not subjected to review.
- Summary of key standalone financial results is as follows:

Particulars	(Rs. in Lakhs)				
	Quarter ended			Nine months ended	
	December 31, 2017 (Unaudited)	September 30, 2017 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2016 (Unaudited)
Revenues from operations	22,898	21,610	28,845	66,282	65,212
Profit before tax	4,096	3,464	952	10,117	1,947
Profit after tax	3,233	2,747	730	8,000	1,725

Note: The standalone results of Tejas Networks Limited for the above mentioned periods are available in the investors section in www.tejasnetworks.com and also with the stock exchanges where it is listed. The information above has been extracted from the published standalone financial results.

- During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961 and had issued restraint order on certain bank accounts and deposits of the Company and later the restraint order was withdrawn. 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 proceedings will not have any material impact on the Company's results.
- During the quarter, the Group has factored receivables on a non-recourse basis in the normal course of business pertaining to a customer with a banker under a factoring agreement and has derecognized such receivables amounting to Rs 9,962 lakhs in accordance with Ind AS 109 - Financial Instruments.
- Previous period's figures have been regrouped/reclassified to conform to the current period's presentation for the purpose of comparability.
- The above statement of consolidated financial results of the Company and its subsidiaries (together the 'Group') was reviewed by the Audit Committee of the Board on January 18, 2018 and subsequently approved by the Board of Directors at its meeting held on January 19, 2018. The Statutory Auditors of the Company have carried out a limited review of this consolidated statement of financial results for the quarter ended December 31, 2017.

For and on behalf of the Board of Directors



Sanjay Nayak
Managing Director & CEO
(DIN: 01049871)

Place: Bengaluru
Date: January 19, 2018



Price Waterhouse Chartered Accountants LLP

The Board of Directors
Tejas Networks Limited,
5th Floor, J P Software Park,
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1. We have reviewed the unaudited consolidated financial results of Tejas Networks Limited (the “Company”) and its subsidiaries/ step down subsidiary, (hereinafter referred together as the “Group”) (refer Note 2 to the Statement) for the quarter ended December 31, 2017 which are included in the accompanying ‘Statement of Consolidated Unaudited Results for the quarter and nine months ended December 31, 2017’ together with the notes thereon (the “Statement”). The Statement has been prepared by the Company’s Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”) and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company’s Management and has been approved by its Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Group’s opening unaudited consolidated Balance Sheet as at April 01, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group’s financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 3 to the Statement which states that the Group has adopted Ind AS for the financial year commencing from April 1, 2017 with a transition date of April 1, 2016, and accordingly, the Statement has been prepared by the Company’s Management in compliance with Ind AS.
 - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on December 31, 2016 and accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter ended December 31, 2016. As set out in Notes 5 and 8 to the Statement, these figures have been furnished by the Management.

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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)



Price Waterhouse Chartered Accountants LLP

- c. The consolidated financial results of the Group for the quarter ended June 30, 2017 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, were reviewed by another firm of chartered accountants who, vide their report dated August 03, 2017, expressed an unmodified conclusion on those financial results.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Pradip Kanakia
Partner
Membership Number: 039985

Place: Bengaluru
Date: January 19, 2018



Press Release

Tejas Networks announces consolidated results for quarter ended December 31, 2017

Sequential QoQ basis, Q3'18 Revenues (net of taxes and pass-through component sale) grew by 5.2%, Operating profit grew by 21.7% and Net profit grew by 12.2%.

Nine months YoY Revenues (net of taxes and pass-through component sale) grew by 13.5%, Operating profit grew by 22.1% and Net profit (before exceptional item) grew by 37.4% year-on-year.

Bengaluru, January 19, 2018: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the third quarter and nine months ended December 31, 2017. Tejas Networks designs, develops, manufactures and sells high-performance and cost-competitive optical and data networking products, which are used to build high-speed communication networks over optical fiber.

On a sequential basis, for Q3'18 our consolidated revenues (net of taxes and pass-through component sale to our contract manufacturers) grew by 5.2% to Rs. 226.15 crore. Our operating profit grew by 21.7% and net profit after tax by 12.2%. As a percentage of consolidated revenues (net of taxes and pass-through component sale) our operating margin was 15.7% in Q3'18 compared to 13.6% in Q2'18 and our net profit after tax was 13.3% as compared to net profit of 12.5% in the previous quarter.

For the nine month period ended December 31, 2017, our revenues (net of taxes and pass-through component sale) were Rs. 641.16 crore which was a growth of 13.5% year-on-year, our operating profits grew by 22.1% year-on-year and our net profit (before exceptional item) grew by 37.4% year-on-year.

For the quarter ended December 31, 2017, our consolidated revenues (net of taxes and pass-through component sale) declined by 11.0% year-on-year and our operating profits declined by 29.0% and net profit (before exceptional item) declined by 28.5% year-on-year.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "Globally, there is a robust demand for optical transmission equipment, driven by increased usage of mobile data as well as broadband by consumers, businesses and governments. With expansion of 4G networks and advent of 5G networks in future, we expect that this trend will continue for the next few years". He added "We continue to see strong growth led by India, particularly driven by government-funded projects. We see greater opportunities in large telecom projects, however, some of these projects are getting shifted to the next financial year. Due to this, we expect our revenue growth during the current financial year to be around 5%".

Mr. Venkatesh Gadiyar, CFO said, "As a technology product company, we continue to see the benefits of operating leverage, which is reflected in our strong profitability growth on a Nine months basis. For the nine months ended, our net profit after tax was Rs. 77.45 crore and we generated cash of Rs. 179.18 crore from operations. We are a debt-free company and our current cash and cash equivalent including investment in liquid mutual funds was Rs 449.50 crore."

During the quarter, Tejas won many awards, including "Best performing equipment supply partner for Bharatnet Phase-1" from Minister of Communications (Independent Charge) Government of India, "High Growth Electronic Hardware Exporter" from Software Technology Parks of India, Karnataka and "Digital India Excellence Award for Electronics Manufacturing", at the PAN-IIM World Management Conference.

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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 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 338 patents.

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

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

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.

A handwritten signature in blue ink, appearing to be the initials "SK" or similar.



Tejas Networks Limited and subsidiaries
Consolidated Unaudited Balance Sheet as at

(in ₹ crore, except share data)

	December 31, 2017	December 30, 2016
ASSETS		
Non-current assets		
Property, plant and equipment	33.35	29.28
Intangible assets	34.06	58.79
Intangible assets under development	46.38	24.26
Financial assets		
Trade receivables	34.63	6.96
Bank balances	14.00	40.44
Loans	5.11	4.75
Other financial assets	-	1.59
Income tax assets (net)	28.30	16.76
Other non-current assets	0.41	0.68
Total non - current assets	196.24	183.51
Current assets		
Inventories	148.05	197.95
Financial assets		
Investments	114.43	-
Trade receivables	386.59	396.97
Cash and cash equivalents	99.64	34.48
Bank deposits with maturity of more than 3 months but less than 12 months	221.43	-
Restricted Cash and balance held as margin money	7.58	15.56
Loans	0.98	16.52
Other financial assets	26.51	2.67
Other current assets	18.57	48.59
Total current assets	1,023.78	712.74
Total assets	1,220.02	896.25
EQUITY AND LIABILITIES		
Equity		
Share capital	90.21	72.88
Other equity	928.24	388.52
Total equity	1,018.45	461.40
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	2.00	29.00
Provisions	6.39	2.71
Total non - current liabilities	8.39	31.71
Current liabilities		
Financial liabilities		
Borrowings	-	184.37
Trade payables	155.90	188.53
Other financial liabilities	2.02	1.70
Provisions	3.59	3.76
Current tax liabilities (Net)	0.01	1.84
Other current liabilities	31.66	22.94
Total current liabilities	193.18	403.14
Total equity and liabilities	1,220.02	896.25

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Tejas Networks Limited and subsidiaries

Consolidated Unaudited Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Revenue from operations*	229.87	216.13	288.80	665.31	659.59
Other Income	6.80	6.47	2.03	17.77	7.38
Total Revenue	236.67	222.60	290.83	683.08	666.97
Expenses					
Cost of materials consumed	114.33	116.79	181.29	357.06	413.46
Employee benefit expense	25.57	23.43	21.13	71.78	61.98
Finance costs	3.49	1.54	6.61	11.85	23.73
Depreciation and amortization expense	15.29	17.29	12.74	49.44	40.54
Other expenses	39.23	29.50	23.69	94.33	67.66
Total Expenses	197.91	188.55	245.46	584.46	607.37
Profit before exceptional items and tax	38.76	34.05	45.37	98.62	59.60
Exceptional Items	-	-	30.47	-	30.47
Profit before tax	38.76	34.05	14.90	98.62	29.13
Tax Expense	8.62	7.18	3.24	21.17	3.24
Profit after tax	30.14	26.87	11.66	77.45	25.89
Other comprehensive income	(0.35)	(1.15)	(0.05)	(1.85)	-
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit liabilities / (asset)	(0.55)	(1.07)	(0.12)	(2.00)	(0.07)
Items that may be reclassified to profit or loss					
Exchange differences in translating the financial statements of foreign operations	0.20	(0.08)	0.07	0.15	0.07
Total comprehensive income for the period	29.79	25.72	11.61	75.60	25.89
Earnings per equity share of Rs. 10 each					
Basic (₹)	3.35	3.00	1.88	9.18	4.36
Diluted (₹)	3.16	2.84	1.88	8.63	4.36
Weighted average equity shares used in computing earnings per equity share					
Basic	8,99,46,198	8,96,08,609	6,20,61,190	8,43,47,915	5,93,45,357
Diluted	9,53,18,756	9,48,37,536	6,20,61,190	8,97,20,473	5,93,45,357

*Revenue from operations for the quarter ended December 31, 2016 was inclusive of excise duty Rs. 21.50 crore. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter ended December 31, 2017 is net of the related GST Rs. 28.97 crore. Accordingly, the revenue for the current quarter and the corresponding quarter of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes for the quarter ended December 31, 2017 is lower by 14% in comparison to the corresponding quarter of the previous year.

Supplementary Information

Particulars	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Revenue from operations	229.87	216.13	288.80	665.31	659.59
Less: Excise Duty	-	-	21.50	17.64	40.30
Revenue (net of taxes)	229.87	216.13	267.30	647.67	619.29
Less: Sale of Components sales)	3.72	1.23	13.30	6.51	54.48
	226.15	214.90	254.00	641.16	564.81
Year on Year Growth	-11.0%			13.5%	

Profit after tax (before exceptional item)	30.14	26.87	42.13	77.45	56.36
Earnings per equity share of Rs. 10 each (before exceptional item)					
Basic (₹)	3.35	3.00	6.79	9.18	9.50
Diluted (₹)	3.16	2.84	6.79	8.63	9.50
Weighted average equity shares used in computing earnings per equity share					
Basic	8,99,46,198	8,96,08,609	6,20,61,190	8,43,47,915	5,93,45,357
Diluted	9,53,18,756	9,48,37,536	6,20,61,190	8,97,20,473	5,93,45,357

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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: U72900KA2000PLC026980

Tel: +91 80 4179 4600; Fax: +91 80 2852 0201

E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

Extract of Consolidated Unaudited Results for the quarter and nine months ended December 31, 2017

Sl. No.	Particulars	(Rs. in Lakhs except per share data)		
		Quarter ended December 31, 2017	Nine months ended December 31, 2017	Quarter ended December 31, 2016
1	Total Income from operations*	22,987	66,531	28,880
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)#	3,876	9,862	4,537
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)#	3,876	9,862	1,490
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)#	3,014	7,745	1,166
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	2,979	7,560	1,161
6	Equity Share Capital	9,021	9,021	7,288
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year (Refer Note 5)	-	-	-
8	Earnings per Share (of Rs. 10/- each) (for continuing and discontinuing operations) -			
	(i) Basic ₹	3.35	9.18	1.88
	(ii) Diluted ₹	3.16	8.63	1.88

Notes

- 1 Key Standalone Financial Information of the company is given below:

Particulars	(Rs. in lakhs)		
	Quarter ended December 31, 2017	Nine months ended December 31, 2017	Quarter ended December 31, 2016
Total Income from operations*	22,898	66,282	28,845
Profit before tax	4,096	10,117	952
Profit after tax	3,233	8,000	730

- 2 The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The full format of the Quarterly Results are available on the website of the Stock Exchange(s) and the Company (www.tejasnetworks.com).

- 3 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961 and had issued restraint order on certain bank accounts and deposits of the Company and later the restraint order was withdrawn. 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 proceedings will not have any material impact on the Company's results.

- 4 Pursuant to the exemption available vide SEBI circular dated July 05, 2016, the line item "Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year" has not been disclosed.

* excludes other income

Exceptional and/or Extraordinary items are adjusted in the Statement of Profit and Loss in accordance with the Companies (Indian Accounting Standard) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Sanjay Nayak
Managing Director & CEO
(DIN: 01049871)

Place: Bengaluru
Date: January 19, 2018

BRIEF PROFILE OF AMB. LEELA K PONAPPA

Amb. Leela K Ponappa obtained her Bachelor of Arts degree and Master of Arts degree from the University of Madras. She was an officer of the Indian Foreign Service for several years.

She served as the Ambassador of India to Thailand and Netherlands. She also held the post of Deputy National Security Adviser and Secretary, National Security Council and Additional Secretary in the Ministry of External Affairs. She was also appointed as a permanent representative to the Organization for the Prohibition of Chemical Weapons.



Participant Access Information

Please join the event conference 5-10 minutes prior to the start time using the Participant Passcode listed below.

Event Conference Title: Tejas Networks Ltd. 3Q FY18 Earning Conference Call

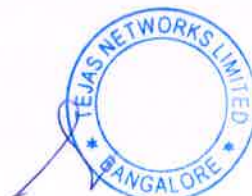
Time Zone: Chennai, Kolkata, Mumbai, New Delhi (UTC+05:30)

Start Time/Date: 16:00 Friday, January, 19 2018

Duration: 90 minutes

Participant Passcode: 520565

Location	Purpose	Phone Type	Phone Number
Australia, Brisbane	Dial-in	Local	+61 (0)7 3105 7003
Australia, Melbourne	Dial-in	Local	+61 (0)3 8317 0936
Australia, Sydney	Dial-in	Local	+61 (0)2 9094 5106
Austria, Vienna	Dial-in	Local	+43 (0)1 928 2802
Bahrain, Manama	Dial-in	Local	+973 1667 5433
Belgium, Brussels	Dial-in	Local	+32 (0)2 401 1416
Brazil, Sao Paulo	Dial-in	Local	+55 11 3181 5423
Bulgaria, Sofia	Dial-in	Local	+359 (0)2 492 8145
Canada, Montreal	Dial-in	Local	+1 438 968 6629



Canada, Toronto	Dial-in	Local	+1 647 484 0472
Canada, Vancouver	Dial-in	Local	+1 604 449 6063
China	Dial-in	National	400 120 9263
Czech Republic, Prague	Dial-in	Local	+420 225 382 923
Denmark, Copenhagen	Dial-in	Local	+45 35 15 81 82
Estonia, Tallinn	Dial-in	Local	+372 686 7095
Finland, Helsinki	Dial-in	Local	+358 (0)9 7479 0572
France, Paris	Dial-in	Local	+33 (0)1 70 730 3 37
Germany, Frankfurt	Dial-in	Local	+49 (0)69 22222 5195
Germany, Munich	Dial-in	Local	+49 (0)89 2030 35552
Greece, Athens	Dial-in	Local	+30 211 211 1572
Hong Kong, Hong Kong	Dial-in	Local	+852 3018 8392
Hungary, Budapest	Dial-in	Local	+36 1 429 2296
India	Dial-in	Tollfree/Freephone	1800 200 9352
India, Bangalore	Dial-in	Local	+91 (0)80 6127 5363
India, Delhi	Dial-in	Local	+91 (0)11 6648 2153
India, Mumbai	Dial-in	Local	+91 (0)22 6219 2064
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Italy, Rome	Dial-in	Local	+39 06 8750 1338



Japan, Tokyo	Dial-in	Local	+81 (0)3 6774 0529
Latvia, Riga	Dial-in	Local	+371 6601 6651
Lithuania, Vilnius	Dial-in	Local	+370 5204 3717
Luxembourg, Luxembourg	Dial-in	Local	+352 2787 0176
Malaysia, Kuala Lumpur	Dial-in	Local	+60 (0)3 7724 0314
Mexico, Guadalajara	Dial-in	Local	+52 33 4164 2204
Mexico, Mexico City	Dial-in	Local	+52 55 4164 4812
Mexico, Monterrey	Dial-in	Local	+52 81 4164 2229
Netherlands, Amsterdam	Dial-in	Local	+31 (0)20 703 8251
New Zealand, Auckland	Dial-in	Local	+64 (0)9 9760 011
Norway, Oslo	Dial-in	Local	+47 2350 0347
Panama	Dial-in	Local	+507 8 323 295
Peru	Dial-in	Local	+51 1 705 8249
Poland, Warsaw	Dial-in	Local	+48 (0)22 295 3862
Portugal, Lisbon	Dial-in	Local	+351 21 060 8146
Romania, Bucharest	Dial-in	Local	+40 (0)2 158 90860
Russian Federation, Moscow	Dial-in	Local	+7 495 646 1870
Singapore, Singapore	Dial-in	Local	+65 6394 9909
Slovakia, Bratislava	Dial-in	Local	+421 (0)2 5011 2202
Slovenia, Ljubljana	Dial-in	Local	+386 1828 1629
South Africa, Johannesburg	Dial-in	Local	+27 11 844 6135



Spain, Madrid	Dial-in	Local	+34 91 419 4440
Sweden, Stockholm	Dial-in	Local	+46 (0)8 5664 2754
Switzerland, Geneva	Dial-in	Local	+41 (0)22 567 5785
Switzerland, Zurich	Dial-in	Local	+41 (0)44 580 7277
Taiwan, Province of China, Taipei	Dial-in	Local	+886 (0)2 8793 3368
United Kingdom, Local	Dial-in	Local	+44 (0)33 033 69600
United States, Los Angeles	Dial-in	Local	+1 323-701-0170

