



## Press Release

**Tejas Networks announces consolidated results for quarter ended, Sep 30, 2017**

***Revenues (net of taxes and pass-through component sale) grew 20.9%,  
Operating profit grew 61.2% and  
Net profit grew 68.0% year-on-year, for the quarter ended Sep 30, 2017***

**Bangalore, October 25, 2017:** Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the second quarter ended September 30, 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.

For the quarter ended September 30, 2017, our consolidated revenues (net of taxes and pass-through component sale to our contract manufacturers) were Rs. 214.90 crore which was a growth of 20.9% year-on-year. Our operating profits grew by 61.2% year-on-year and net profit grew 68.0% year-on-year. As a percentage of consolidated revenues (net of taxes and pass-through component sale to our contract manufacturers) our operating margin was 13.6% in Q2'18 compared to 10.2% in Q2'17 and our net profit after tax in Q2'18 was 12.5% as compared to net profit of 9.0% in Q2'17.

For the six month period ended September 30, 2017, our revenues (net of taxes and pass-through component sales to our contract manufacturers) were Rs. 415.01 crore which was a growth of 33.5% year-on-year, our operating profits grew by 120.2% year-on-year and our net profit grew 232.5% year-on-year.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We continue to see strong growth led by India, which is the world's fastest growing optical networking market. We believe that India is at the cusp of a prolonged growth cycle in optical networking, driven by strong usage of mobile data as well as broadband by consumers, businesses and government".

Tejas continued to strengthen its market position in India. Recently, Ovum (Informa), a global market-leading data, research and consulting firm, ranked Tejas as #1 in marketshare for India's Optical Aggregation market for the last 4 quarters rolling.

Mr. Venkatesh Gadiyar, CFO said, "We continue to see the benefits of operating leverage, which is reflected in our strong profitability growth on a year-on-year basis. For the first half of the year, our net profit after tax was Rs. 47.31 crore and we generated cash of Rs. 94.72 crore from operations. As of September 30, 2017, our cash and cash equivalents amounted to Rs.381.52 crore. We are now practically a debt-free company, with a outstanding debt of just Rs. 3.37 crore as of September 30, 2017."

Recently we have strengthened our management team and Mr. N R Ravikrishnan has joined us on October 11, 2017 as General Counsel and Chief Compliance officer. Earlier, he worked as the Company Secretary and Head (Compliance, Audit and Facilities) in Infosys Group.



### **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 a 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 337 patents.

For more information, visit Tejas Networks at <http://www.tejasnetworks.com> or contact Investor Relations: [ir@india.tejasnetworks.com](mailto:ir@india.tejasnetworks.com)

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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 Unaudited Balance Sheet as at

(in ₹ crore, except share data)

	September 30, 2017	September 30, 2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	26.90	28.73
<b>Intangible assets</b>	<b>37.91</b>	<b>48.11</b>
Intangible assets under development	41.95	63.34
<b>Financial assets</b>		
Trade receivables	28.17	7.47
Bank balances	14.09	26.38
Loans	5.10	4.70
Other financial asset	-	0.56
Income tax assets (net)	26.25	18.62
Other non-current assets	0.57	0.49
<b>Total non - current assets</b>	<b>180.94</b>	<b>198.40</b>
<b>Current assets</b>		
<b>Inventories</b>	<b>171.88</b>	<b>188.98</b>
<b>Financial assets</b>		
Trade receivables	443.75	274.06
Cash and cash equivalents	269.85	17.98
Bank deposits with maturity of more than 3 months but less than 12 months	97.58	-
Restricted Cash and balance held as margin money	8.01	15.26
Loans	1.43	0.86
Other financial asset	6.39	2.23
Other current assets	18.27	48.57
<b>Total current assets</b>	<b>1,017.16</b>	<b>547.94</b>
Total assets	1,198.10	746.34
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	89.71	66.51
Other equity	894.83	351.79
<b>Total equity</b>	<b>984.54</b>	<b>418.30</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	2.00	29.00
Provisions	4.44	2.62
<b>Total non - current liabilities</b>	<b>6.44</b>	<b>31.62</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	-	150.09
Trade payables	169.64	124.65
Other financial liabilities	10.71	1.70
Provisions	4.17	2.76
Current tax liabilities (Net)	0.01	0.81
Other current liabilities	22.59	16.41
<b>Total current liabilities</b>	<b>207.12</b>	<b>296.42</b>
<b>Total equity and liabilities</b>	<b>1,198.10</b>	<b>746.34</b>

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Tejas Networks Limited and subsidiaries

Consolidated Unaudited Statements of Comprehensive Income for

(In ₹ Crores, except share data)

	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Revenue from operations*	216.13	219.31	223.56	435.44	370.79
Other Income	6.47	4.50	2.66	10.97	5.35
<b>Total Revenue</b>	<b>222.60</b>	<b>223.81</b>	<b>226.22</b>	<b>446.41</b>	<b>376.14</b>
<b>Expenses</b>					
Cost of materials consumed	116.79	125.94	148.30	242.73	232.17
Employee benefit expense	23.43	22.78	23.51	46.21	40.85
Finance costs	1.54	6.82	4.74	8.36	17.12
Depreciation and amortisation expense	17.29	16.86	13.18	34.15	27.80
Other expenses	29.50	25.60	20.50	55.10	43.97
<b>Total Expenses</b>	<b>188.55</b>	<b>198.00</b>	<b>210.23</b>	<b>386.55</b>	<b>361.91</b>
<b>Profit before tax</b>	<b>34.05</b>	<b>25.81</b>	<b>15.99</b>	<b>59.86</b>	<b>14.23</b>
Tax Expense	7.18	5.37	-	12.55	-
<b>Profit after tax</b>	<b>26.87</b>	<b>20.44</b>	<b>15.99</b>	<b>47.31</b>	<b>14.23</b>
Other comprehensive income	(1.15)	(0.35)	0.04	-1.50	0.05
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit liabilities / (asset)	(1.07)	(0.38)	0.05	(1.45)	0.05
Items that may be reclassified to profit or loss					
Exchange differences in translating the financial statements of foreign operations	(0.08)	0.03	(0.01)	(0.05)	-
<b>Total comprehensive income for the period</b>	<b>25.72</b>	<b>20.09</b>	<b>16.03</b>	<b>45.81</b>	<b>14.28</b>
<b>Earnings per equity share of Rs. 10 each</b>					
Basic (₹)	3.00	2.78	2.67	5.80	2.45
Diluted (₹)	2.84	2.65	2.67	5.46	2.45
<b>Weighted average equity shares used in computing earnings per equity share</b>					
Basic	8,96,08,609	7,33,69,609	5,97,40,316	8,15,33,478	5,79,80,021
Diluted	9,48,37,536	7,69,65,392	5,97,40,316	8,67,62,405	5,79,80,021

\* Revenue from operations for the quarter ended September 30, 2016 was inclusive of excise duty Rs. 9.25 crores. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter ended September 30, 2017 is net of the related GST. Accordingly, the revenue for the current quarter and the corresponding quarter of the previous year are not strictly comparable. Sales, net of such taxes for the quarter ended September 30, 2017 increased by 0.8% in comparison to the corresponding quarter of the previous year and sales, net of taxes and component sales, grew 20.9% year-on-year basis. Please refer below table.

Supplementary Information

Particulars	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Revenue from operations	216.13	219.31	223.56	435.44	370.79
Less: Excise Duty	-	17.64	9.25	17.64	18.79
Revenue (net of taxes)	216.13	201.67	214.31	417.80	352.00
Less: Sale of Components	1.23	1.56	36.57	2.79	41.17
<b>Revenue (net of taxes and component sales)</b>	<b>214.90</b>	<b>200.11</b>	<b>177.74</b>	<b>415.01</b>	<b>310.83</b>
Year on Year Growth	20.9%			33.5%	

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