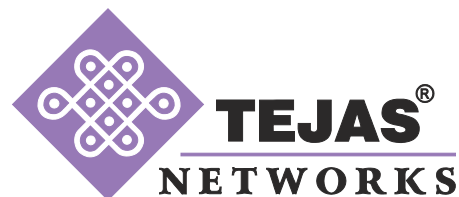


## Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor  
J.P. Software Park, Electronic City Phase 1  
Hosur Road, Bengaluru 560 100, India  
Tel : +91- 80- 4179 4600/700/800  
Fax: +91- 80- 2852 0201



The Secretary  
**National Stock Exchange of India Ltd**  
Exchange Plaza, C/1, Block G,  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051  
**NSESymbol: TEJASNET**

The Secretary  
**BSE Limited**  
P J Towers, Dalal Street, Fort,  
Mumbai – 400 001  
**BSE Scrip Code: 540595**

**July 21, 2021**

Dear Sir/Madam,

### **Re: Outcome of Board Meeting**

This is with reference to our letter dated July 07, 2021 informing about the Board Meeting scheduled on July 21, 2021.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Wednesday, July 21, 2021 through video-conference has inter alia considered and approved the following:

### **Financial Results:**

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 ended June 30, 2021 together with the Limited review report of the Statutory Auditors for the said period is enclosed as **Annexure - A**.

### **Other matters:**

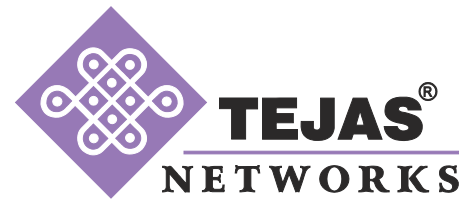
2. The Nomination and Remuneration Committee and the Board of Directors in its meeting held today, have approved the grant of 33,090 Restricted Stock Units at face value of Rs. 10/- each under Tejas Restricted Stock Unit Plan 2017 to the employees of the Company with the effective date of grant as of July 21, 2021.
3. Allotment of 1,19,259 Equity Shares of the Company pursuant to exercise of the Stock Options/ Restricted Stock Units by eligible Employees/Senior Management/ Key Managerial Personnel of the Company under respective Stock Options Plans/ Tejas Restricted Stock Unit Plan 2017.
4. Based on the recommendations of the Nomination and Remuneration Committee, adopted the amended Nomination and Remuneration Committee Policy of the Company.

### **We also enclose:**

- a) Copy of the press release issued with respect of said financial results as **Annexure- B**.
- b) Extracts of the unaudited financial results under IND-AS (Standalone and Consolidated) for the quarter ended June 30, 2021 being published in the newspapers as **Annexure - C**.

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Please note that the Conference Call details to discuss the Company's performance on Wednesday, July 21, 2021 at 7.00 P.M (IST) has already been intimated to Stock Exchanges vide our letter dated July 15, 2021.

The above information is also available on the website of the Company at [www.tejasnetworks.com](http://www.tejasnetworks.com).

Kindly take the above information on record and acknowledge.

Thanking you,

Yours sincerely

**For Tejas Networks Limited**



**N R Ravikrishnan**  
**General Counsel, Chief Compliance Officer**  
**& Company Secretary**

**Encl: as above**

## Price Waterhouse Chartered Accountants LLP

### Independent Auditors' Review Report on the Statement of Standalone Unaudited Financial Results

To,  
The Board of Directors  
Tejas Networks Limited  
5th Floor, J P Software Park  
Plot No 25, Sy. No 13, 14, 17 and 18  
Konnapana Agrahara Village  
Begur Hobli, Bengaluru – 560 100

1. We have reviewed the unaudited financial results of Tejas Networks Limited (the "Company") for the quarter ended June 30, 2021 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2021' and the notes thereon (together referred to as the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.
2. This Standalone Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Statement based on our review.
3. We conducted our review of the Standalone Statement in accordance with the Standard on Review Engagements (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 Standalone Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the Standalone Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to the following:
  - a. Note 6 to the Standalone Statement regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to Rs. 80.67 crores (net of provision) as at June 30, 2021. The Company's management believes that the aforesaid receivables are good and fully recoverable and that no additional allowances for credit losses are necessary in respect of these balances as at June 30, 2021.

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Bangalore - 560 008  
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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

- b. Note 7 to the Standalone Statement which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of these matters.

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



Mohan Danivas S A  
Partner  
Membership Number: 209136  
UDIN: 21209136AAAABV4514

Place: Bengaluru  
Date: July 21, 2021



### Tejas Networks Limited

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Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.

Corporate Identity Number: L72900KA2000PLC026980

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

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

### Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2021

Particulars	(Rs in crore except per data share)			
	Quarter ended June 30, 2021	Quarter ended March 31, 2021	Quarter ended June 30, 2020	Year ended March 31, 2021
	Unaudited	Unaudited (Refer note - 9)	Unaudited	Audited
I Revenue from operations	144.07	201.16	78.73	524.49
II Other Income (Refer Note - 8)	8.38	3.85	4.32	24.81
III Total income (I + II)	152.45	205.01	83.05	549.30
<b>IV EXPENSES</b>				
(a) Cost of materials consumed	73.81	100.19	35.18	268.74
(b) Employee benefit expense	27.02	33.92	24.93	109.57
(c) Finance costs	1.23	0.83	0.91	3.58
(d) Depreciation and amortization expense	16.39	14.44	13.78	52.12
(e) Allowance for expected credit loss	1.16	7.49	4.02	12.49
(f) Other expenses	24.57	29.74	14.11	80.53
Total expenses (IV)	144.18	186.61	92.93	527.03
V Profit/(Loss) before tax (III - IV)	8.27	18.40	(9.88)	22.27
VI Income tax expense/(benefit)				
(1) Current tax expense/(benefit)	1.44	-	-	-
(2) Deferred tax expense/(benefit)	(0.65)	(15.02)	-	(15.02)
Total tax expense/(benefit)	0.79	(15.02)	-	(15.02)
VII Profit/(Loss) after tax (V - VI)	7.48	33.42	(9.88)	37.29
VIII Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit obligation	0.05	1.31	(0.05)	2.21
Income tax relating to above	(0.01)	-	-	-
IX Total comprehensive income/(loss) for the period (VII + VIII)	7.52	34.73	(9.93)	39.50
X Earnings/(Loss) per equity share				
Equity shares of par value Rs. 10 each				
(1) Basic	0.80	3.60	(1.07)	4.03
(2) Diluted	0.77	3.47	(1.07)	3.96

*for identification purpose*



*Stm*



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### Notes

- 1 These financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 (as amended) ['Ind AS'] prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ['Listing Regulations'].
- 2 The Company's operations comprise of only one segment viz. Networking equipment.
- 3 In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively.  
Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.
- 4 During FY 2018-19 and 2019-20, the Company received demand orders for amount of Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10.  
Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT. The Company had in earlier years also received show cause notices amounting to Rs. 3.01 crore for FY 2010-11 to FY 2013-14 on a similar matter.  
Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.
- 5 a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended June 30, 2021, an amount of Rs. 1.79 crore (June 30, 2020: Rs. 1.70 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at June 30, 2021, aggregates to 18,23,490 (June 30, 2020: 14,48,392).  
b) The Company has, at various grant dates in the earlier years issued stock options under different Employee Stock Option Plans to its employees at different exercise prices. For the quarter ended June 30, 2021, an amount of Rs. NIL (June 30, 2020: Rs. 0.04 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'.
- 6 As at June 30, 2021, the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 80.67 crore (March 31, 2021: Rs. 91.19 crore) (net of provision) from public sector customers (including from BSNL for Bharatnet project). Management has taken the necessary steps to expedite collections from the concerned customers. Having regard to the good past history of collections from such customers, Management believes that the aforesaid net receivables as at June 30, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.

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*Sm*



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### 7 Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states imposed various restrictions with the increase in number of COVID 19 cases during the quarter ended June 30, 2021. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter ended June 30, 2021.

During the quarter, uncertainties caused by the pandemic has resulted in some delays in customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilizes.

The Company does not have borrowings as at quarter end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at June 30, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic in making this assessment and has concluded that no further adjustments are considered necessary.

Assessing the impact of COVID-19 is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

8 Other income includes interest on income tax refunds of Rs. 0.79 crore for the quarter ended June 30, 2021 (quarter ended March 31, 2021: Rs. 0.16 crore).

9 The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subjected to review by the statutory auditors.

10 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.

11 The above statement of standalone financial results was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on July 21, 2021.

For and on behalf of the Board of Directors

Sanjay Nayak  
CEO and Managing Director  
(DIN: 01049871)

Place: Bengaluru

Date: July 21, 2021

*For identification purpose*



# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Review Report on the Statement of Consolidated Unaudited Financial Results

To,  
The Board of Directors  
Tejas Networks Limited  
5th Floor, J P Software Park  
Plot No 25, Sy. No 13, 14,17 and 18  
Konnapana Agrahara Village  
Begur Hobli, Bengaluru – 560 100

1. We have reviewed the unaudited consolidated financial results of Tejas Networks Limited (the "Parent"), and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), [(refer Note 1 on the Consolidated Statement)] for the quarter ended June 30, 2021 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2021' together with the notes thereon (together referred to as the "Consolidated Statement"). The Consolidated Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.
2. This Consolidated Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
3. We conducted our review of the Consolidated Statement in accordance with the Standard on Review Engagements (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 Consolidated Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.
5. The Consolidated Statement includes the results of the following entities:  
Tejas Communication Pte. Limited, Singapore  
Tejas Communication (Nigeria) Limited



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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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)

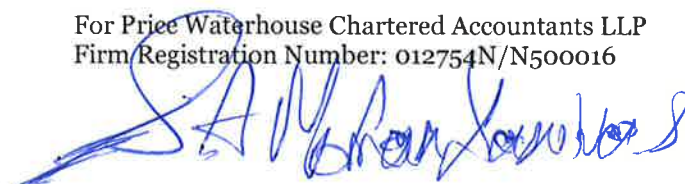


## Price Waterhouse Chartered Accountants LLP

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw your attention to the following:
  - a. Note 8 to the Consolidated Statement regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to Rs. 80.67 crores (net of provision) as at June 30, 2021. Parent's management believes that the aforesaid receivables are good and fully recoverable and that no additional allowances for credit losses are necessary in respect of these balances as at June 30, 2021.
  - b. Note 9 to the Consolidated Statement which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of these matters.

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



Mohan Danivas S A  
Partner

Membership Number: 209136  
UDIN: 21209136AAAABW8464

Place: Bengaluru  
Date: July 21, 2021



**Tejas Networks Limited**

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

**Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2021**

(Rs. in crore except per share data)

Particulars	Quarter ended June 30, 2021	Quarter ended March 31, 2021	Quarter ended June 30, 2020	Year ended March 31, 2021
	Unaudited	Unaudited (Refer Note -11)	Unaudited	Audited
I Revenue from operations	144.25	201.55	80.11	526.60
II Other Income (Refer Note - 10)	8.38	3.85	4.34	24.85
III <b>Total income (I + II)</b>	<b>152.63</b>	<b>205.40</b>	<b>84.45</b>	<b>551.45</b>
<b>IV EXPENSES</b>				
(a) Cost of materials consumed	73.81	100.19	35.18	268.74
(b) Employee benefit expense	29.60	36.11	26.87	116.33
(c) Finance costs	1.26	0.86	0.94	3.70
(d) Depreciation and amortization expense	16.39	14.44	13.78	52.12
(e) Allowance for expected credit loss	1.16	9.80	4.02	14.80
(f) Other expenses	22.07	25.47	13.42	73.24
<b>Total Expenses (IV)</b>	<b>144.29</b>	<b>186.87</b>	<b>94.21</b>	<b>528.93</b>
V <b>Profit/(Loss) before tax (III - IV)</b>	<b>8.34</b>	<b>18.53</b>	<b>(9.76)</b>	<b>22.52</b>
VI <b>Income tax expense/(benefit)</b>				
(1) Current tax expense/(benefit)	1.44	-	-	-
(2) Deferred tax expense/(benefit)	(0.65)	(15.02)	-	(15.02)
<b>Total tax expense/(benefit)</b>	<b>0.79</b>	<b>(15.02)</b>	<b>-</b>	<b>(15.02)</b>
VII <b>Profit/(Loss) after tax (V - VI)</b>	<b>7.55</b>	<b>33.55</b>	<b>(9.76)</b>	<b>37.54</b>
VIII <b>Other comprehensive income/(loss)</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit obligation	0.05	1.31	(0.05)	2.21
Income tax relating to above	(0.01)	-	-	-
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	0.01	(0.12)	0.00	(0.19)
IX <b>Total comprehensive income/(loss) for the period (VII + VIII)</b>	<b>7.60</b>	<b>34.74</b>	<b>(9.81)</b>	<b>39.56</b>
X <b>Earnings/(Loss) per equity share</b>				
<b>Equity shares of par value Rs. 10 each</b>				
(1) Basic	0.81	3.61	(1.06)	4.05
(2) Diluted	0.78	3.49	(1.06)	3.99

09

*for identification purpose*



*Stm*



## Tejas Networks Limited

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Corporate Identity Number: L72900KA2000PLC026980

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

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

### Notes

1 The Statement of consolidated financial results includes the results of Tejas Networks Limited ('the Company' or 'the Holding Company') and the following subsidiary/ step down subsidiary (collectively referred as 'the Group' hereinunder):

- Tejas Communication Pte. Limited, Singapore
- Tejas Communication (Nigeria) Limited

2 These consolidated financial results of the Group have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 (as amended) ['Ind AS'] prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

3 The Group's operations comprise of only one segment viz. Networking equipment.

4 Summary of key standalone financial results of the Company is as follows:

Particulars	(Rs. in crore)			
	Quarter ended June 30, 2021	Quarter ended March 31, 2021	Quarter ended June 30, 2020	Year ended March 31, 2021
Revenues from operations	144.07	201.16	78.73	524.49
Profit/(Loss) before tax	8.27	18.40	(9.88)	22.27
Profit/(Loss) after tax	7.48	33.42	(9.88)	37.29

Note: The standalone financials results of the Company 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.

5 In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively.

Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.

6 During FY 2018-19 and 2019-20, the Company received demand orders for amount of Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10.

Further, an additional penalty on certain officers of the Company amounting to Rs.0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT. The Company had in earlier years also received show cause notices amounting to Rs. 3.01 crore for FY 2010-11 to FY 2013-14 on a similar matter.

Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.

7 a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended June 30, 2021, an amount of Rs. 1.79 crore (June 30, 2020: Rs. 1.70 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at June 30, 2021, aggregates to 18,23,490 (June 30, 2020: 14,48,392).

b) The Company has, at various grant dates in the earlier years issued stock options under different Employee Stock Option Plans to its employees at different exercise prices. For the quarter ended June 30, 2021, an amount of Rs. NIL (June 30, 2020: Rs. 0.04 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'.

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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,  
Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.

Corporate Identity Number: L72900KA2000PLC026980

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

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

8 As at June 30, 2021, the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 80.67 crore (March 31, 2021: Rs. 91.19 crore) (net of provision) from public sector customers (including from BSNL for Bharatnet project). Management has taken the necessary steps to expedite collections from the concerned customers. Having regard to the good past history of collections from such customers, Management believes that the aforesaid net receivables as at June 30, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.

### 9 Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states imposed various restrictions with the increase in number of COVID 19 cases during the quarter ended June 30, 2021. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter ended June 30, 2021.

During the quarter, uncertainties caused by the pandemic has resulted in some delays in customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilizes.

The Company does not have borrowings as at quarter end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at June 30, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic in making this assessment and has concluded that no further adjustments are considered necessary.

Assessing the impact of COVID-19 is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

- 10 Other income includes interest on income tax refunds of Rs. 0.79 crore for the quarter ended June 30, 2021 (quarter ended March 31, 2021: Rs. 0.16 crore).
- 11 The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subjected to review by the statutory auditors.
- 12 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 13 The above statement of consolidated financial results was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on July 21, 2021.

For and on behalf of the Board of Directors

Sanjay Nayak  
CEO and Managing Director  
(DIN: 01049871)

Place: Bengaluru  
Date: July 21, 2021





## Press Release

**Tejas Networks announces consolidated results for quarter ended June 30, 2021**  
**Q1 revenue was Rs. 144.3 crore and Net profit was Rs. 7.6 crore**

**Bengaluru, July 21, 2021:** Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the first quarter ended June 30, 2021. Tejas Networks designs, develops, manufactures and sells high-performance optical and data networking products, which are used to build high-speed communication networks.

For Q1-FY22, consolidated net revenue was Rs. 144.3 crore, which was a YoY increase of 86.4%, resulting in a profit before tax of Rs. 8.3 crore as compared to a loss before tax of Rs. 9.8 crore, for corresponding previous period. Profit after tax was Rs. 7.6 crore as compared to loss after tax of Rs. 9.8 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We are on track for our business growth and improved profitability, driven by rapid adoption of broadband services and increased bandwidth consumption, which is generating robust demand for our equipment. Our international revenues grew by 81.8 % YoY and was 52% of total revenues for the quarter. Our order book is healthy and has increased to Rs. 701 crore. We continue to see supportive Government policies for promoting domestic manufacturing and we have applied under the Government's Performance Linked Incentive (PLI) scheme for telecom equipment."

Mr. Venkatesh Gadiyar, CFO said, "With increased revenues, we continue to improve our profitability. However, our working capital was higher compared to previous quarter, primarily due to delayed payments from few of our customers because of COVID lockdowns, and higher payments made to our component suppliers to minimize supply chain disruptions. We expect to get our working capital normalized in the next few quarters. As on June 30, 2021 our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, stood at Rs. 312 crores and we continue to be a debt-free Company."

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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 75 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

Investor Relations: [ir@india.tejasnetworks.com](mailto:ir@india.tejasnetworks.com)

Attn: Mr. Santosh Kesavan: [skeshavan@india.tejasnetworks.com](mailto: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.*

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Tejas Networks Limited and subsidiaries  
Abstract of Consolidated Balance Sheet as at

(in Rs. crore, except share data)

	June 30, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	26.81	29.48
Capital work in progress	1.54	-
Right-of-use assets	19.16	16.10
Intangible assets	66.45	65.43
Intangible assets under development	33.84	24.49
<b>Financial assets</b>		
Trade receivables	73.21	72.97
Loans	-	-
Other financial assets	6.76	6.91
Current tax asset (net)	64.27	62.61
Deferred Tax Asset	57.35	56.72
Other non-current assets	9.71	6.98
<b>Total non - current assets</b>	<b>359.10</b>	<b>341.69</b>
<b>Current assets</b>		
Inventories	200.65	213.65
<b>Financial assets</b>		
Investments	23.03	37.37
Trade receivables	373.50	341.03
Cash and cash equivalents	26.32	53.43
Other bank balances	162.24	164.09
Loans	0.49	0.35
Other financial assets	101.48	110.30
Other current assets	53.54	49.97
<b>Total current assets</b>	<b>941.25</b>	<b>970.19</b>
<b>Total assets</b>	<b>1,300.35</b>	<b>1,311.88</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	96.86	96.51
Other equity	1,049.08	1,037.69
<b>Total equity</b>	<b>1,145.94</b>	<b>1,134.20</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	17.92	17.07
Provisions	0.82	0.69
<b>Total non - current liabilities</b>	<b>18.74</b>	<b>17.76</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	6.88	4.83
Trade payables		
<b>Total outstanding dues of micro enterprises and small enterprises</b>	<b>16.16</b>	<b>11.84</b>
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>	<b>59.77</b>	<b>80.38</b>
Other financial liabilities	39.51	47.26
Provisions	5.73	5.22
Other current liabilities	7.62	10.39
<b>Total current liabilities</b>	<b>135.67</b>	<b>159.92</b>
<b>Total equity and liabilities</b>	<b>1,300.35</b>	<b>1,311.88</b>



Tejas Networks Limited and subsidiaries  
Consolidated Statements of Comprehensive Income for

	Quarter ended Jun 30, 2021	Quarter ended Mar 31, 2021	Quarter ended Jun 30, 2020	Year ended Mar 31, 2021
Revenue from operations	144.25	201.55	80.11	526.60
Other Income	8.38	3.85	4.34	24.85
<b>Total Income</b>	<b>152.63</b>	<b>205.40</b>	<b>84.45</b>	<b>551.45</b>
<b>Expenses</b>				
Cost of materials consumed	73.81	100.19	35.18	268.74
Employee benefit expense	29.60	36.11	26.87	116.33
Finance costs	1.26	0.86	0.94	3.70
Depreciation and amortization expense	16.39	14.44	13.78	52.12
Allowance for expected credit loss	1.16	9.80	4.02	14.80
Other expenses	22.07	25.47	13.42	73.24
<b>Total Expenses</b>	<b>144.29</b>	<b>186.87</b>	<b>94.21</b>	<b>528.93</b>
<b>Profit/(Loss) before tax</b>	<b>8.34</b>	<b>18.53</b>	<b>(9.76)</b>	<b>22.52</b>
Current tax	1.44	-	-	-
Deferred tax	(0.65)	(15.02)	-	(15.02)
<b>Profit/(Loss) after tax</b>	<b>7.55</b>	<b>33.55</b>	<b>(9.76)</b>	<b>37.54</b>
<b>Other comprehensive income/(loss)</b>	<b>0.05</b>	<b>1.19</b>	<b>(0.05)</b>	<b>2.02</b>
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit obligation	0.04	1.31	(0.05)	2.21
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	0.01	(0.12)	0.00	(0.19)
<b>Total comprehensive income/(loss) for the period</b>	<b>7.60</b>	<b>34.74</b>	<b>(9.81)</b>	<b>39.56</b>
<b>Earnings/(Loss) per equity share of Rs. 10 each</b>				
<b>Basic (Rs.)</b>	<b>0.81</b>	<b>3.61</b>	<b>(1.06)</b>	<b>4.05</b>
<b>Diluted (Rs.)</b>	<b>0.78</b>	<b>3.49</b>	<b>(1.06)</b>	<b>3.99</b>
<b>Weighted average equity shares used in computing earnings per equity share</b>				
<b>Basic</b>	<b>9,33,45,059</b>	<b>9,29,27,921</b>	<b>9,22,59,867</b>	<b>9,25,53,796</b>
<b>Diluted</b>	<b>9,67,87,743</b>	<b>9,62,34,240</b>	<b>9,22,59,867</b>	<b>9,41,28,273</b>

Supplementary Information

Particulars	Quarter ended Jun 30, 2021	Quarter ended Mar 31, 2021	Quarter ended Jun 30, 2020	Year ended Mar 31, 2021
Revenue from operations	144.25	201.55	80.11	526.60
Less: Sale of Components	-	-	2.74	11.78
Revenue (net of component sales)	144.25	201.55	77.37	514.82
Year on Year Growth	86.44%			

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## Tejas Networks Limited

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Konnappana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.

Corporate Identity Number: L72900KA2000PLC026980

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 quarter ended June 30, 2021

(Rs. in crore except per share data)

Sl. No.	Particulars	Quarter ended June 30, 2021	Year ended March 31, 2021	Quarter ended June 30, 2020
1	Total Income from operations*	144.25	526.60	80.11
2	Net Profit/(Loss) before tax	8.34	22.52	(9.76)
3	Net Profit/(Loss) after tax	7.55	37.54	(9.76)
4	Total Comprehensive Income/(Loss) for the period (Comprising Profit/(Loss) for the period after tax and Other Comprehensive Income/(Loss) after tax)	7.60	39.56	(9.81)
5	Equity Share Capital (Face value of Rs. 10/- each)	96.86	96.51	95.61
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	1,037.69	-
7	Earnings/(Loss) per Share (of Rs. 10/- each)			
	(i) Basic Rs.	0.81	4.05	(1.06)
	(ii) Diluted Rs.	0.78	3.99	(1.06)

## Notes

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

Particulars	Quarter ended June 30, 2021	Year ended March 31, 2021	Quarter ended June 30, 2020
Total Income from operations*	144.07	524.49	78.73
Net Profit/(Loss) before tax	8.27	22.27	(9.88)
Net Profit/(Loss) after tax	7.48	37.29	(9.88)

- 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 Disclosure Requirements) Regulations, 2015 (as amended). The full format of the Quarterly financial results are available on the website of the Stock Exchange(s) and the Company (www.tejasnetworks.com).
- 3 In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.
- 4 During FY 2018-19 and 2019-20, the Company received demand orders for amount of Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs.0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT. The Company had in earlier years also received show cause notices amounting to Rs. 3.01 crore for FY 2010-11 to FY 2013-14 on a similar matter. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.
- 5 As at June 30, 2021, the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 80.67 crore (March 31, 2021: Rs. 91.19 crore) (net of provision) from public sector customers (including from BSNL for Bharatnet project). Management has taken the necessary steps to expedite collections from the concerned customers. Having regard to the good past history of collections from such customers, Management believes that the aforesaid net receivables as at June 30, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.

09/08

6 The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states imposed various restrictions with the increase in number of COVID 19 cases during the quarter ended June 30, 2021. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter ended June 30, 2021.

During the quarter, uncertainties caused by the pandemic has resulted in some delays in customer payments and new orders. Management expects potential delays in executing the orders-in-hand, due to an increase in lead-time for sourcing semiconductor components. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till large scale vaccination happens around the world and the demand-supply situation in the semiconductor component industry stabilizes.

The Company does not have borrowings as at quarter end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at June 30, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic in making this assessment and has concluded that no further adjustments are considered necessary.

Assessing the impact of COVID-19 is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

\* excludes other income.

Place: Bengaluru  
Date: July 21, 2021

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For and on behalf of the Board of Directors



**Sanjay Nayak**  
CEO and Managing Director  
(DIN: 01049871)