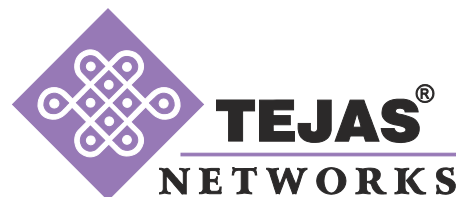


## Tejas Networks Ltd.

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**

**April 21, 2021**

Dear Sir/Madam,

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

This is with reference to our letter dated April 8, 2021 informing about the Board Meeting scheduled on April 21, 2021.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Wednesday, April 21, 2021 at Bangalore 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 Audited financial results (standalone and consolidated) as per IND-AS for the quarter and year ended March 31, 2021 together with the Audit report of the Statutory Auditors is enclosed as **Annexure - A**.

In this context, please note the following:

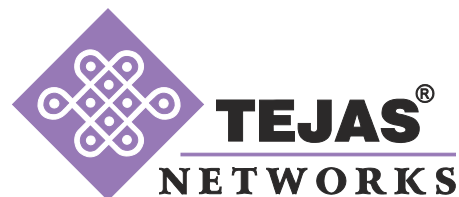
- a. M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), Statutory Auditors of the Company has issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone and Consolidated) for the year ended March 31, 2021.
- b. Mr. Venkatesh Gadiyar, Chief Financial Officer of the Company issued a declaration in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that the M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone and Consolidated) for the year ended March 31, 2021.

### **Director**

2. The re-appointment of Mr. Sanjay Nayak (DIN: 01049871), who is liable to retire by rotation at the ensuing 21<sup>st</sup> Annual General Meeting of the Company, as Director of the Company, liable to retire by rotation.

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### Annual General Meeting and Book Closure

3. The 21<sup>st</sup> Annual General Meeting of the Members of the Company will be held virtually on Friday, June 25, 2021.
4. Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Register of Members and Share Transfer Books of the Company will remain closed from June 18, 2021 to June 25, 2021(both days inclusive) for the 21<sup>st</sup> Annual General Meeting of the Company.

### Other matters

5. Allotment of 38,234 Equity Shares of the Company pursuant to exercise of the Stock Options/ Restricted Stock Units by eligible employees/ Senior Management of the Company under respective Stock Options Plan/ Tejas Restricted Stock Unit Plan 2017.
6. Approved the grant of 6,87,700 Restricted Stock Units at face value of Rs. 10/- each under Tejas Restricted Stock Unit Plan 2017 to the Employees of the Company, including Senior Management and Key Managerial Personnel, with the effective date of grant as April 21, 2021.

### **We also enclose:**

- a) Copy of the press release issued with respect of said financial results as **Annexure- B**.
- b) Extracts of the Audited financial results under IND-AS (Standalone and Consolidated) for the quarter and year ended March 31, 2021 being published in the newspapers as **Annexure - C**.
- c) Brief Profile of Mr. Sanjay Nayak (DIN: 01049871), liable to retire by rotation at the ensuing 21<sup>st</sup> Annual General Meeting of the Company and who is proposed to be re-appointed, subject to the approval of the Shareholders, as Director of the Company, liable to retire by rotation as **Annexure - D**.

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

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

Kindly take the above information on record and acknowledge.

Yours sincerely

**For Tejas Networks Limited**

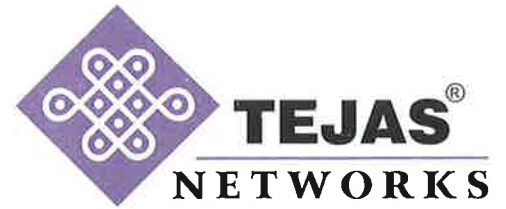


**N R Ravikrishnan**  
**General Counsel, Chief Compliance Officer**  
**& Company Secretary**

**Encl: as above**

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

**April 21, 2021**

Dear Sir/Madam,

**Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2021.**

I, Venkatesh Gadiyar, Chief Financial Officer of Tejas Networks Limited having its Registered Office at J P Software Park, Plot No 25, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli Bangalore – 560100, hereby declare that, the Statutory Auditors of the Company, M/s. Price Waterhouse Chartered Accountants LLP, (Firm Registration No.012754N/N500016) have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results of the Company (Standalone & Consolidated) for the year ended on March 31, 2021.

This Declaration is given in Compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take the above information on record.

**Yours sincerely,  
For Tejas Networks Limited**

  
**Venkatesh Gadiyar  
Chief Financial Officer**



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Audit of Standalone Financial Results

### Opinion

1. We have audited the standalone annual financial results of Tejas Networks Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2021 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor  
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/NS00016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Standalone Financial Results

Page 2 of 4

### Emphasis of Matter

4. We draw your attention to the following:
  - a. Note 8 to the standalone annual financial results 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 circumstances as they evolve.
  - b. Note 7 to the standalone annual financial results regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to Rs.91.19 crores (net of provision) included in 'Trade Receivables' as at year end. 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 March 31, 2021.

Our opinion is not modified in respect of these matters.

### Board of Directors' Responsibilities for the Standalone Financial Results

5. These Standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.
6. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.





# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Standalone Financial Results

Page 3 of 4

### Auditor's Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 12 below)
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Standalone Financial Results

Page 4 of 4

10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

11. The Standalone financial results include the results for the quarter ended March 31, 2021 being 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 current financial year reviewed by us. The standalone financial results for the quarter ended March 31, 2021 are neither subject to limited review nor audited by us.
12. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated April 21, 2021.

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



Mohan Danivas S A

Partner

Membership No: 209136

UDIN: 21209136AAAABA7585

Place: Bengaluru

Date: April 21, 2021



**Tejas Networks Limited**

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,  
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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

**Statement of Standalone Financial Results for the quarter and year ended March 31, 2021**

Particulars	(Rs in crore except per data share)				
	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Quarter ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
	Unaudited (Refer note - 10)	Unaudited	Unaudited (Refer note - 10)	Audited	Audited
I Revenue from operations	201.16	134.71	54.56	524.49	386.20
II Other income (Refer Note - 9)	3.85	8.55	13.59	24.81	33.71
<b>III Total income (I + II)</b>	<b>205.01</b>	<b>143.26</b>	<b>68.15</b>	<b>549.30</b>	<b>419.91</b>
<b>IV EXPENSES</b>					
(a) Cost of materials consumed	100.19	74.40	31.56	268.74	203.58
(b) Employee benefit expense	33.92	26.11	33.15	109.57	103.22
(c) Finance costs	0.83	0.85	1.03	3.58	7.57
(d) Depreciation and amortization expense	14.44	12.06	20.89	52.12	77.05
(e) Impairment of non-current assets	-	-	69.87	-	69.87
(f) Allowance for expected credit loss (Refer Note - 6)	7.49	1.80	17.34	12.49	18.81
(g) Other expenses	29.74	18.80	21.05	80.53	77.42
<b>Total expenses (IV)</b>	<b>186.61</b>	<b>134.02</b>	<b>194.89</b>	<b>527.03</b>	<b>557.52</b>
<b>V Profit/(Loss) before tax (III - IV)</b>	<b>18.40</b>	<b>9.24</b>	<b>(126.74)</b>	<b>22.27</b>	<b>(137.61)</b>
<b>VI Income tax expense/(benefit)</b>					
(1) Current tax expense/(benefit)	-	-	-	-	-
(2) Deferred tax expense/(benefit)	(15.02)	-	-	(15.02)	98.55
<b>Total tax expense/(benefit)</b>	<b>(15.02)</b>	<b>-</b>	<b>-</b>	<b>(15.02)</b>	<b>98.55</b>
<b>VII Profit/(Loss) after tax (V - VI)</b>	<b>33.42</b>	<b>9.24</b>	<b>(126.74)</b>	<b>37.29</b>	<b>(236.16)</b>
<b>VIII Other comprehensive income/(loss)</b>					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	1.31	0.20	(1.29)	2.21	(1.07)
Income tax relating to above	-	-	-	-	-
<b>IX Total comprehensive income/(loss) for the period (VII + VIII)</b>	<b>34.73</b>	<b>9.44</b>	<b>(128.03)</b>	<b>39.50</b>	<b>(237.23)</b>
<b>X Earnings/(Loss) per equity share</b>					
Equity shares of par value Rs. 10 each					
(1) Basic	3.60	1.00	(13.75)	4.03	(25.66)
(2) Diluted	3.47	0.97	(13.75)	3.96	(25.66)







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**Standalone Statement of Assets and Liabilities as at March 31, 2021**

Particulars	(Rs. in crore)	
	As at	
	March 31, 2021	March 31, 2020
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29.48	30.55
Right-of-use assets	16.10	21.29
Intangible assets	65.43	26.81
Intangible assets under development	24.49	26.99
Investments in subsidiaries	10.87	10.87
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	72.97	80.28
(iii) Loans	5.33	5.58
(iv) Other financial assets	1.54	1.11
Current Tax Asset (net)	62.61	47.80
Deferred Tax Assets	56.72	41.70
Other non-current assets	6.98	6.97
<b>Total non - current assets</b>	<b>352.52</b>	<b>299.95</b>
<b>Current assets</b>		
Inventories	213.65	251.99
Financial assets		
(i) Investments	37.37	50.97
(ii) Trade receivables	330.88	364.24
(iii) Cash and cash equivalents	52.44	66.05
(iv) Bank balances other than (iii) above	164.09	76.71
(v) Loans	0.46	1.07
(vi) Other financial assets	110.01	91.40
Other current assets	53.46	37.46
<b>Total current assets</b>	<b>962.36</b>	<b>939.89</b>
<b>Total assets</b>	<b>1,314.88</b>	<b>1,239.84</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	96.51	95.48
Other equity	1,036.45	984.28
<b>Total equity</b>	<b>1,132.96</b>	<b>1,079.76</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease Liabilities	17.07	21.91
Provisions	0.69	0.59
<b>Total non - current liabilities</b>	<b>17.76</b>	<b>22.50</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	11.84	10.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	86.45	66.96
(ii) Lease Liabilities	4.83	5.97
(iii) Other financial liabilities	46.00	39.59
Provisions	5.22	7.08
Other current liabilities	9.82	7.02
<b>Total current liabilities</b>	<b>164.16</b>	<b>137.58</b>
<b>Total liabilities</b>	<b>181.92</b>	<b>160.08</b>
<b>Total equity and liabilities</b>	<b>1,314.88</b>	<b>1,239.84</b>

\* Amount below the rounding off norm adopted by the Company





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**Standalone statement of Cash Flows for the year ended on March 31, 2021**

Particulars	(Rs. in crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
	Audited	Audited
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax for the year	22.27	(137.61)
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	52.12	77.05
Impairment of product development	-	32.77
Impairment of Intangible assets under development	-	37.10
Allowance for expected credit loss (net)	12.49	18.81
Bad Debts written off	-	0.07
Provision for doubtful debts released	-	(0.02)
Interest Income	(20.27)	(11.94)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	0.18	0.10
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(2.81)	(4.08)
Finance costs recognized in profit or loss	3.58	7.57
Unrealised Exchange Difference (Net)	5.19	(7.26)
Loss/ (profit) on sale of property, plant and equipment	(0.01)	(0.02)
Expense recognized in respect of equity-settled share-based payments	8.00	11.20
	<b>80.74</b>	<b>23.74</b>
Movements in working capital:		
(Increase)/decrease in inventories	38.34	(70.60)
(Increase)/decrease in trade receivables	22.70	194.15
(Increase)/decrease in loans	0.92	(1.39)
(Increase)/decrease in other financial assets	4.72	4.86
(Increase)/decrease in other assets	(16.38)	(16.79)
Increase/(decrease) in trade and other payables	21.13	(86.02)
Increase/(decrease) in provisions	0.16	(3.73)
Increase/(decrease) in other financial liabilities	6.63	(30.43)
Increase/(decrease) in other liabilities	2.79	(2.40)
<b>Cash generated from operations</b>	<b>161.75</b>	<b>11.39</b>
Income taxes paid	(4.77)	(10.87)
<b>a) Net cash generated from operating activities</b>	<b>156.98</b>	<b>0.52</b>
<b>Cash flows from investing activities</b>		
Expenditure on property, plant and equipment	(14.16)	(20.63)
Expenditure on intangible assets (including under development)	(68.36)	(72.14)
Sale proceeds of property, plant and equipment	0.01	0.03
Investments in Deposits with banks	(238.43)	(156.10)
Investments in Deposits with financial institutions	(144.44)	(99.07)
Withdrawals of Deposits from banks	150.62	184.56
Withdrawals of Deposits from financial institutions	121.46	174.07
Investments in liquid mutual funds	(555.05)	(727.05)
Redemption of liquid mutual funds	571.26	766.61
Interest received	9.83	21.00
<b>b) Net cash generated from/(used in) investing activities</b>	<b>(167.26)</b>	<b>71.28</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of restricted stock units/employee stock options	5.70	2.82
Dividend paid (including Tax on dividend)	-	(11.08)
Repayment of borrowings	-	(1.19)
Principal payment of lease liabilities	(5.73)	(5.58)
Interest payment of lease liabilities	(2.29)	(2.78)
Interest paid	(1.01)	(4.35)
<b>c) Net cash (used in) financing activities</b>	<b>(3.33)</b>	<b>(22.16)</b>
<b>d) Net increase/(decrease) in cash and cash equivalents</b>	<b>(13.61)</b>	<b>49.64</b>
Cash and cash equivalents at the beginning of the period	66.05	16.41
Effects of exchange rate changes on the balance of cash held in foreign currencies*	0.00	-
<b>Cash and cash equivalents at the end of the period</b>	<b>52.44</b>	<b>66.05</b>

\* Amount below the rounding off norm adopted by the Company





## 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

### 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, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act for AY 2012-13 to 2018-19. The Company and its officials fully co-operated with the Department. During FY 2018-19, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during FY 2019-20 and in the current financial year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. During FY 2019-20, the Company received notices of demand from the Department for additional tax payable amounting to Rs. 25.62 crore for AY 2017-18 (after adjusting the carried forward losses from earlier years) under Section 156 of the IT Act after making additions of various items to taxable income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company had also received a demand order for AY 2018-19 for additional tax payable amounting to Rs. 0.48 crore. Following the Company's application for rectification of apparent computation errors in the aforesaid demand notices, during the quarter ended September 30, 2020 the Company received rectification orders u/s 154 of the IT Act for AY 2012-13 to AY 2018-19 under which the Company now has a cumulative net refund position for AY 2017-18 and AY 2018-19, after corrections were made by the Assessing Officer to the amounts of carry forward losses and TDS in respect of earlier assessment years. The Company has also challenged the orders passed by the Assessing Officer (AO) by filing an appeal with the Commissioner of Income Tax (Appeals) against additions of various items to taxable income for the relevant earlier assessment years. The Company is of the view that the outcome of these proceedings/ notices/ summons will not have any material adverse impact on the Company's financial results.
- 4 On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during FY from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the FY 2010-11 with associated demand of Rs. 11.87 crore and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of Rs. 24.88 crore i.e. a total demand of Rs. 36.75 crore. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT. According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties. The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to Rs. 42.92 crore (which includes the demand of Rs. 36.75 crore by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to Rs. 0.90 crore. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to Rs. 43.82 crore. The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing. The Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of FY 2010-11 to 2013-14 on a similar matter amounting to Rs. 3.01 crore which are not part of the orders discussed above and for which the company had provided its response. Based on Management's 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 March 31, 2021, an amount of Rs. 1.12 crore (March 31, 2020: Rs. 0.91 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at March 31, 2021, aggregates to 12,13,491 (March 31, 2020: 16,84,501).  
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 March 31, 2021, an amount of Rs. 1.50 crore (March 31, 2020: Rs. 0.08 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'.
- 6 Expected credit loss represents an allowance for life-time expected loss on the carrying value of trade receivables, which has been recognised in accordance with the simplified approach as permitted by Ind AS 109, 'Financial Instruments'.
- 7 As at March 31, 2021 the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 91.19 crores (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 March 31, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.





## Tejas Networks Limited

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### 8 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 have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, 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 stabilises.

The Company does not have borrowings as at year 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 March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic.

Assessing the impact assessment 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.

- 9 Other income includes interest on income tax refunds of Rs. 0.16 crore for the quarter ended March 31, 2021 (quarter ended December 31, 2020: Rs. 4.74 crore; quarter ended March 31, 2020: Rs. Nil).
- 10 The figures for the quarter ended March 31, 2021 and March 31, 2020 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.
- 11 As per the Company's dividend policy, the Board may recommend to distribute dividend upto 25% of the free cash flow of the corresponding Financial Year, out of retained earnings, after taking into account the relevant provisions of the Companies Act. For the year ended March 31 2021, the Board has reviewed and decided not to recommend any dividend.
- 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 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 April 21, 2021.

For and on behalf of the Board of Directors

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

Place: Bengaluru  
Date: April 21, 2021





# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Audit of Consolidated Financial Results

### Opinion

1. We have audited the consolidated annual financial results of Tejas Networks Limited (hereinafter referred to as the 'Holding Company') and its subsidiary and a step down subsidiary (Holding Company and its subsidiary and a step down subsidiary together referred to as "the Group"), (Refer note 1 to the consolidated annual financial results) for the year March 31, 2021 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:
  - (i) include the annual financial results of the following entities:
    - a. Tejas Communications Pte. Ltd, Singapore
    - b. Tejas Communications (Nigeria) Limited
  - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group, for the year ended March 31, 2021 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



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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/NS00016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Consolidated Financial Results

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### Emphasis of Matter

4. We draw your attention to the following:
  - a. Note 10 to the consolidated annual financial results 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 circumstances as they evolve.
  - b. Note 9 to the consolidated annual financial results regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to Rs.91.19 crores (net of provision) included in 'Trade Receivables' as at year end. 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 March 31, 2021.

### Board of Directors' Responsibilities for the Consolidated Financial Results

5. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Consolidated Financial Results

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### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls (Refer paragraph 14 below).
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Consolidated Financial Results

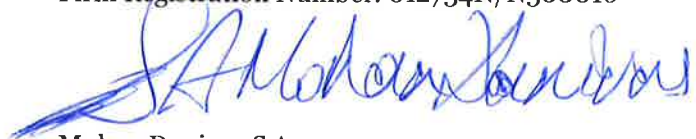
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10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

12. The consolidated financial results includes the unaudited financial information of one subsidiary and one step down subsidiary whose financial information reflect total assets of Rs.27.07 crores and net assets of Rs.14.96 crores as at March 31, 2021, total revenue of Rs.5.05 crores and Rs.1.00 crores, total comprehensive income of Rs.0.58 crores and Rs.0.02 crores for the year ended March 31, 2021 and for the quarter ended March 31, 2021 respectively, and cash inflows (net) of Rs.0.56 crores for the year ended March 31, 2021, as considered in the consolidated financial results. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and a step down subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.
13. The consolidated financial results include the results for the quarter ended March 31, 2021 being 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 current financial year reviewed by us. The consolidated financial results for the quarter ended March 31, 2021 are neither subject to limited review nor audited by us.
14. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited consolidated financial statements of the group, for the year ended March 31, 2021 on which we have issued an unmodified audit opinion vide our report dated April 21, 2021.

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



Mohan Danivas S A  
Partner

Membership No: 209136  
UDIN: 21209136AAAABB7540

Place: Bengaluru  
Date: April 21, 2021



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**Statement of Consolidated Financial Results for the quarter and year ended March 31, 2021**

(Rs. In crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Unaudited (Refer Note -12)	Unaudited	Unaudited (Refer Note -12)	Audited	Audited
I Revenue from operations	201.55	134.88	54.57	526.60	390.54
II Other Income (Refer Note - 11)	3.85	8.55	13.52	24.85	33.65
III <b>Total income (I + II)</b>	<b>205.40</b>	<b>143.43</b>	<b>68.09</b>	<b>551.45</b>	<b>424.19</b>
<b>IV EXPENSES</b>					
(a) Cost of materials consumed	100.19	74.40	31.56	268.74	203.58
(b) Employee benefit expense	36.11	27.07	35.66	116.33	110.52
(c) Finance costs	0.86	0.88	1.07	3.70	7.72
(d) Depreciation and amortization expense	14.44	12.06	20.89	52.12	77.05
(e) Impairment of non-current assets	-	-	69.87	-	69.87
(f) Allowance for expected credit loss (Refer Note - 8)	9.80	1.80	17.41	14.80	20.03
(g) Other expenses	25.47	17.99	18.16	73.24	73.99
<b>Total Expenses (IV)</b>	<b>186.87</b>	<b>134.20</b>	<b>194.62</b>	<b>528.93</b>	<b>562.76</b>
V <b>Profit/(Loss) before tax (III - IV)</b>	<b>18.53</b>	<b>9.23</b>	<b>(126.53)</b>	<b>22.52</b>	<b>(138.57)</b>
VI <b>Income tax expense/(benefit)</b>					
(1) Current tax expense/(benefit)	-	-	-	-	-
(2) Deferred tax expense/(benefit)	(15.02)	-	-	(15.02)	98.55
<b>Total tax expense/(benefit)</b>	<b>(15.02)</b>	<b>-</b>	<b>-</b>	<b>(15.02)</b>	<b>98.55</b>
VII <b>Profit/(Loss) after tax (V - VI)</b>	<b>33.55</b>	<b>9.23</b>	<b>(126.53)</b>	<b>37.54</b>	<b>(237.12)</b>
VIII <b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	1.31	0.20	(1.29)	2.21	(1.07)
Income tax relating to above	-	-	-	-	-
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(0.12)	-	0.24	(0.19)	0.64
<b>Total comprehensive income/(loss) for the period (VII + VIII)</b>	<b>34.74</b>	<b>9.43</b>	<b>(127.58)</b>	<b>39.56</b>	<b>(237.55)</b>
X <b>Earnings/(Loss) per equity share</b>					
Equity shares of par value Rs. 10 each					
(1) Basic	3.61	0.99	(13.73)	4.05	(25.76)
(2) Diluted	3.49	0.97	(13.73)	3.99	(25.76)





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**Consolidated Statement of Assets and Liabilities as at March 31, 2021**

Particulars	(Rs. in crore)	
	As at	
	March 31, 2021	March 31, 2020
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29.48	30.55
Right-of-use assets	16.10	21.29
Intangible assets	65.43	26.81
Intangible assets under development	24.49	26.99
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	72.97	80.28
(iii) Loans	5.37	5.61
(iv) Other financial assets	1.54	1.11
Current Tax Asset (net)	62.61	47.80
Deferred Tax Assets	56.72	41.70
Other non-current assets	6.98	6.97
<b>Total non - current assets</b>	<b>341.69</b>	<b>289.11</b>
<b>Current assets</b>		
Inventories	213.65	251.99
Financial assets		
(i) Investments	37.37	50.97
(ii) Trade receivables	341.03	375.63
(iii) Cash and cash equivalents	53.43	66.48
(iv) Bank balances other than (iii) above	164.09	76.71
(v) Loans	0.64	1.17
(vi) Other financial assets	110.01	91.59
Other current assets	49.97	37.50
<b>Total current assets</b>	<b>970.19</b>	<b>952.04</b>
<b>Total assets</b>	<b>1,311.88</b>	<b>1,241.15</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	96.51	95.48
Other equity	1,037.69	985.46
<b>Total equity</b>	<b>1,134.20</b>	<b>1,080.94</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease Liabilities	17.07	21.91
Provisions	0.69	0.59
<b>Total non - current liabilities</b>	<b>17.76</b>	<b>22.50</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	11.84	10.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	80.38	63.81
(ii) Lease Liabilities	4.83	5.97
(iii) Other financial liabilities	47.26	42.27
Provisions	5.22	7.44
Other current liabilities	10.39	7.26
<b>Total current liabilities</b>	<b>159.92</b>	<b>137.71</b>
<b>Total liabilities</b>	<b>177.68</b>	<b>160.21</b>
<b>Total equity and liabilities</b>	<b>1,311.88</b>	<b>1,241.15</b>

\* Amount below the rounding off norm adopted by the Company







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**Consolidated statement of Cash Flows for the year ended on March 31, 2021**

Particulars	(Rs. in crore)	(Rs. in crore)
	Year ended March 31, 2021	Year ended March 31, 2020
	Audited	Audited
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax for the year	22.52	(138.57)
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	52.12	77.05
Impairment of product development	-	32.77
Impairment of Intangible assets under development	-	37.10
Allowance for expected credit loss (net)	14.80	20.03
Bad Debts written off	-	0.07
Provision for doubtful debts released	-	(0.02)
Interest Income	(20.27)	(11.94)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	0.18	0.10
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(2.81)	(4.08)
Finance costs recognized in profit or loss	3.70	7.72
Unrealised Exchange Difference (Net)	5.08	(6.38)
Loss/ (profit) on sale of property, plant and equipment	(0.01)	(0.02)
Expense recognized in respect of equity-settled share-based payments	8.00	11.20
	<b>83.31</b>	<b>25.03</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories	38.34	(70.60)
(Increase)/decrease in trade receivables	21.69	195.85
(Increase)/decrease in loans	0.83	(1.34)
(Increase)/decrease in other financial assets	4.91	4.67
(Increase)/decrease in other assets	(12.76)	(16.57)
Increase/(decrease) in trade and other payables	17.70	(88.88)
Increase/(decrease) in provisions	(0.20)	(3.37)
Increase/(decrease) in other financial liabilities	5.16	(30.98)
Increase/(decrease) in other liabilities	3.44	(2.33)
<b>Cash generated from operations</b>	<b>162.42</b>	<b>11.48</b>
Income taxes paid	(4.77)	(10.87)
<b>a) Net cash generated from operating activities</b>	<b>157.65</b>	<b>0.61</b>
<b>Cash flows from investing activities</b>		
Expenditure on property, plant and equipment	(14.16)	(20.63)
Expenditure on intangible assets (including under development)	(68.36)	(72.14)
Sale proceeds of property, plant and equipment	0.01	0.03
Investments in Deposits with banks	(238.43)	(156.10)
Investments in Deposits with financial institutions	(144.44)	(99.07)
Withdrawals of Deposits from banks	150.62	184.56
Withdrawals of Deposits from financial institutions	121.46	174.07
Investments in liquid mutual funds	(555.05)	(727.05)
Redemption of liquid mutual funds	571.26	766.61
Interest received	9.83	21.00
<b>b) Net cash generated from/(used in) investing activities</b>	<b>(167.26)</b>	<b>71.28</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of restricted stock units/employee stock options	5.70	2.82
Dividend paid (including Tax on dividend)	-	(11.08)
Repayment of borrowings	-	(1.19)
Principal payment of lease liabilities	(5.73)	(5.58)
Interest payment of lease liabilities	(2.29)	(2.78)
Interest paid	(1.12)	(4.50)
<b>c) Net cash (used in) financing activities</b>	<b>(3.44)</b>	<b>(22.31)</b>
<b>d) Net increase/(decrease) in cash and cash equivalents</b>	<b>(13.05)</b>	<b>49.58</b>
Cash and cash equivalents at the beginning of the period	66.48	16.90
Effects of exchange rate changes on the balance of cash held in foreign currencies*	0.00	-
<b>Cash and cash equivalents at the end of the period</b>	<b>53.43</b>	<b>66.48</b>

\* Amount below the rounding off norm adopted by the Company





## 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

- 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' hereinafter):  
- Tejas Communication Pte. Limited, Singapore  
- Tejas Communication (Nigeria) Limited
- 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) Regulations, 2015 (as amended) ['Listing Regulations'].
- The Group's operations comprise of only one segment viz. Networking equipment.
- Summary of key standalone financial results of the Company is as follows:

Particulars	(Rs. in crore)				
	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Quarter ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenues from operations	201.16	134.71	54.56	524.49	386.20
Profit/(Loss) before tax	18.40	9.24	(126.74)	22.27	(137.61)
Profit/(Loss) after tax	33.42	9.24	(126.74)	37.29	(236.16)

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.

- In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notices to the company under Section 276(C) of the IT Act for AY 2012-13 to 2018-19. The Company and its officials fully co-operated with the Department. During FY 2018-19, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during FY 2019-20 and in the current financial year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. During FY 2019-20, the Company received notices of demand from the Department for additional tax payable amounting to Rs. 25.62 crore for AY 2017-18 (after adjusting the carried forward losses from earlier years) under Section 156 of the IT Act after making additions of various items to taxable income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company had also received a demand order for AY 2018-19 for additional tax payable amounting to Rs. 0.48 crore. Following the Company's application for rectification of apparent computation errors in the aforesaid demand notices, during the quarter ended September 30, 2020 the Company received rectification orders u/s 154 of the IT Act for AY 2012-13 to AY 2018-19 under which the Company now has a cumulative net refund position for AY 2017-18 and AY 2018-19, after corrections were made by the Assessing Officer to the amounts of carry forward losses and TDS in respect of earlier assessment years. The Company has also challenged the orders passed by the Assessing Officer (AO) by filing an appeal with the Commissioner of Income Tax (Appeals) against additions of various items to taxable income for the relevant earlier assessment years. The Company is of the view that the outcome of these proceedings/ notices/ summons will not have any material adverse impact on the Company's financial results.
- On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during FY from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the FY 2010-11 with associated demand of Rs. 11.87 crore and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of Rs. 24.88 crore i.e. a total demand of Rs. 36.75 crore. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT. According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties. The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to Rs. 42.92 crore (which includes the demand of Rs. 36.75 crore by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to Rs. 0.90 crore. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to Rs. 43.82 crore. The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforesaid CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing. The Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of FY 2010-11 to 2013-14 on a similar matter amounting to Rs. 3.01 crore which are not part of the orders discussed above and for which the company had provided its response. Based on Management's 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.
- 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 March 31, 2021, an amount of Rs. 1.12 crore (March 31, 2020: Rs. 0.91 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at March 31, 2021, aggregates to 12,13,491 (March 31, 2020: 16,84,501).
  - 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 March 31, 2021, an amount of Rs. 1.50 crore (March 31, 2020: Rs. 0.08 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'.
- Expected credit loss represents an allowance for life-time expected loss on the carrying value of trade receivables, which has been recognised in accordance with the simplified approach as permitted by Ind AS 109, 'Financial Instruments'.
- As at March 31, 2021 the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 91.19 crores (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 March 31, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.





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### 10 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 have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, 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 stabilises.

The Company does not have borrowings as at year 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 March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic.

Assessing the impact assessment 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.

- 11 Other income includes interest on income tax refunds of Rs. 0.16 crore for the quarter ended March 31, 2021 (quarter ended December 31, 2020: Rs. 4.74 crore; quarter ended March 31, 2020: Rs. Nil).
- 12 The figures for the quarter ended March 31, 2021 and March 31, 2020 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.
- 13 As per the Company's dividend policy, the Board may recommend to distribute dividend upto 25% of the free cash flow of the corresponding Financial Year, out of retained earnings, after taking into account the relevant provisions of the Companies Act. For the year ended March 31 2021, the Board has reviewed and decided not to recommend any dividend.
- 14 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 15 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 April 21, 2021.

For and on behalf of the Board of Directors

Sanjay Nayak  
CEO and Managing Director  
(DIN: 01049871)

Place: Bengaluru  
Date: April 21, 2021





## Press Release

**Tejas Networks announces consolidated results for quarter ended March 31, 2021**

**Q4 revenue Rs. 201.6 crore and FY 21 revenue was Rs.514.8 crore;**

**Q4 PAT Rs.33.6 crore and FY 21 PAT was Rs. 37.5 crore**

**Bengaluru, April 21, 2021:** Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the fourth quarter ended March 31, 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 Q4-FY21, consolidated net revenue was Rs. 201.6 crore, which was a YoY increase of 282.6%\*, resulting in a profit before tax of Rs. 18.5 crore as compared to a loss before tax and before impairment of intangible assets of Rs. 56.7 crore, for corresponding previous period. Profit after tax was Rs. 33.6 crore as compared to loss after tax and before impairment of intangible asset of Rs. 56.7 crore for corresponding previous period.

For the year ended March 31, 2021, net revenue was Rs. 514.8 crore, which was a YoY increase of 35.6%, with a profit before tax of Rs. 22.5 crore as compared to a loss before tax and before impairment of intangibles was Rs. 68.7 crore for corresponding previous period. Profit after tax was Rs. 37.5 crore as compared to a loss after tax and before impairment of intangible asset of Rs. 167.3 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We ended our financial year with strong revenue as well as profitability growth in Q4-FY21. Our international business during the year saw a robust YoY revenue growth of 62% and was 40% of our total revenue (up from 33% during FY20), led by customers in Africa, Mid-east and South-East Asia. We are seeing positive tailwinds for our business in India due to increased demand for high-speed broadband connections and Government policy for promoting domestic telecom equipment. We continued to see strong order inflows as well as new customer wins, resulting in a YoY booking growth of 54% and we ended the year with an order book of Rs. 679 crore."

Mr. Venkatesh Gadiyar, CFO said, "Our quarterly financial performance continues to improve, as we generated cash of Rs. 47 crore and Rs. 158 crore from operations during Q4-FY21 and full FY21 respectively. We also improved our working capital, with reduction in inventory levels as well as receivables. During the quarter, our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, improved by Rs. 29 crore to Rs. 364 crore as on March 31, 2021 and we continue to be a debt-free Company."

As on date, we have filed for 349 patents of which 127 have been granted.

\* Q4 FY-20 was an exception

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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)

	March 31, 2021	March 31, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29.48	30.55
Right-of-use assets	16.10	21.29
Intangible assets	65.43	26.81
Intangible assets under development	24.49	26.99
<b>Financial assets</b>		
Trade receivables	72.97	80.28
Loans	5.37	5.61
Other financial assets	1.54	1.11
Current tax asset (net)	62.61	47.80
Deferred Tax Asset	56.72	41.70
Other non-current assets	6.98	6.97
<b>Total non - current assets</b>	<b>341.69</b>	<b>289.11</b>
<b>Current assets</b>		
Inventories	213.65	251.99
<b>Financial assets</b>		
Investments	37.37	50.97
Trade receivables	341.03	375.63
Cash and cash equivalents	53.43	66.48
Other bank balances	164.09	76.71
Loans	0.64	1.17
Other financial assets	110.01	91.59
Other current assets	49.97	37.50
<b>Total current assets</b>	<b>970.19</b>	<b>952.04</b>
<b>Total assets</b>	<b>1,311.88</b>	<b>1,241.15</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	96.51	95.48
Other equity	1,037.69	985.46
<b>Total equity</b>	<b>1,134.20</b>	<b>1,080.94</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	17.07	21.91
Provisions	0.69	0.59
<b>Total non - current liabilities</b>	<b>17.76</b>	<b>22.50</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	11.84	10.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	80.38	63.81
Lease liabilities	4.83	5.97
Other financial liabilities	47.26	42.27
Provisions	5.22	7.44
Other current liabilities	10.39	7.26
<b>Total current liabilities</b>	<b>159.92</b>	<b>137.71</b>
<b>Total equity and liabilities</b>	<b>1,311.88</b>	<b>1,241.15</b>

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Tejas Networks Limited and subsidiaries  
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended Mar 31, 2021	Quarter ended Dec 31, 2020	Quarter ended Mar 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	201.55	134.88	54.57	526.60	390.54
Other Income	3.85	8.55	13.52	24.85	33.65
<b>Total Income</b>	<b>205.40</b>	<b>143.43</b>	<b>68.09</b>	<b>551.45</b>	<b>424.19</b>
<b>Expenses</b>					
Cost of materials consumed	100.19	74.40	31.56	268.74	203.58
Employee benefit expense	36.11	27.07	35.66	116.33	110.52
Finance costs	0.86	0.88	1.07	3.70	7.72
Depreciation and amortization expense	14.44	12.06	20.89	52.12	77.05
Impairment of non-current assets	-	-	69.87	-	69.87
Allowance for expected credit loss	9.80	1.80	17.41	14.80	20.03
Other expenses	25.47	17.99	18.16	73.24	73.99
<b>Total Expenses</b>	<b>186.87</b>	<b>134.20</b>	<b>194.62</b>	<b>528.93</b>	<b>562.76</b>
<b>Profit/(Loss) before tax</b>	<b>18.53</b>	<b>9.23</b>	<b>(126.53)</b>	<b>22.52</b>	<b>(138.57)</b>
Current tax	-	-	-	-	-
Deferred tax	(15.02)	-	-	(15.02)	98.55
<b>Profit/(Loss) after tax</b>	<b>33.55</b>	<b>9.23</b>	<b>(126.53)</b>	<b>37.54</b>	<b>(237.12)</b>
<b>Other comprehensive income/(loss)</b>	<b>1.19</b>	<b>0.20</b>	<b>(1.05)</b>	<b>2.02</b>	<b>(0.43)</b>
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	1.31	0.20	(1.29)	2.21	(1.07)
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(0.12)	-	0.24	(0.19)	0.64
<b>Total comprehensive income/(loss) for the period</b>	<b>34.74</b>	<b>9.43</b>	<b>(127.58)</b>	<b>39.56</b>	<b>(237.55)</b>
<b>Earnings/(Loss) per equity share of Rs. 10 each</b>					
Basic (Rs.)	3.61	0.99	(13.73)	4.05	(25.76)
Diluted (Rs.)	3.49	0.97	(13.73)	3.99	(25.76)
Weighted average equity shares used in computing earnings per equity share					
Basic	9,29,27,921	9,26,71,398	9,21,75,744	9,25,53,796	9,20,38,454
Diluted	9,62,34,240	9,48,85,067	9,21,75,744	9,41,28,273	9,20,38,454

Supplementary Information

Particulars	Quarter ended Mar 31, 2021	Quarter ended Dec 31, 2020	Quarter ended Mar 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	201.55	134.88	54.57	526.60	390.54
Less: Sale of Components	-	5.77	1.89	11.78	10.75
<b>Revenue (net of component sales)</b>	<b>201.55</b>	<b>129.11</b>	<b>52.68</b>	<b>514.82</b>	<b>379.79</b>
<b>Year on Year Growth</b>	<b>282.6%</b>			<b>35.6%</b>	

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E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com  
Extract of Consolidated Results for quarter and year ended March 31, 2021

(₹ in crore except per share data)					
Sl. No.	Particulars	Quarter ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Quarter ended March 31, 2020
1	Total Income from operations*	201.55	526.60	390.54	54.57
2	Net Profit/(Loss) before tax	18.53	22.52	(138.57)	(126.53)
3	Net Profit/(Loss) after tax	33.55	37.54	(237.12)	(126.53)
4	Total Comprehensive Income/(Loss) for the period (Comprising Profit/(Loss) for the period after tax and Other Comprehensive Income/(Loss) after tax)	34.74	39.56	(237.55)	(127.58)
5	Equity Share Capital (Face value of ₹ 10/- each)	96.51	96.51	95.48	95.48
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	1,037.69	1,037.69	985.46	985.46
7	Earnings/(Loss) per Share ( of ₹ 10/- each)				
	(i) Basic ₹	3.61	4.05	(25.76)	(13.73)
	(ii) Diluted ₹	3.49	3.99	(25.76)	(13.73)

**Notes**

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

Particulars	Quarter ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Quarter ended March 31, 2020
Total Income from operations*	201.16	524.49	386.20	54.56
Net Profit/(Loss) before tax	18.40	22.27	(137.61)	(126.74)
Net Profit/(Loss) after tax	33.42	37.29	(236.16)	(126.74)

- 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, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notices to the company under Section 276(C) of the IT Act for AY 2012-13 to 2018-19. The Company and its officials fully co-operated with the Department. During FY 2018-19, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during FY 2019-20 and in the current financial year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. During FY 2019-20, the Company received notices of demand from the Department for additional tax payable amounting to Rs. 25.62 crore for AY 2017-18 (after adjusting the carried forward losses from earlier years) under Section 156 of the IT Act after making additions of various items to taxable income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company had also received a demand order for AY 2018-19 for additional tax payable amounting to Rs. 0.48 crore. Following the Company's application for rectification of apparent computation errors in the aforesaid demand notices, during the quarter ended September 30, 2020 the Company received rectification orders u/s 154 of the IT Act for AY 2012-13 to AY 2018-19 under which the Company now has a cumulative net refund position for AY 2017-18 and AY 2018-19, after corrections were made by the Assessing Officer to the amounts of carry forward losses and TDS in respect of earlier assessment years. The Company has also challenged the orders passed by the Assessing Officer (AO) by filing an appeal with the Commissioner of Income Tax (Appeals) against additions of various items to taxable income for the relevant earlier assessment years. The Company is of the view that the outcome of these proceedings/ notices/ summons will not have any material adverse impact on the Company's financial results.
- 4 On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during FY from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the FY 2010-11 with associated demand of Rs. 11.87 crore and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of Rs. 24.88 crore i.e. a total demand of Rs. 36.75 crore. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT. According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties. The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to Rs. 42.92 crore (which includes the demand of Rs. 36.75 crore by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to Rs. 0.90 crore. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to Rs. 43.82 crore. The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing. The Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of FY 2010-11 to 2013-14 on a similar matter amounting to Rs. 3.01 crore which are not part of the orders discussed above and for which the company had provided its response. Based on Management's 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.

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- 5 As at March 31, 2021 the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 91.19 crores (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 March 31, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.
- 6 The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. During the year, 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 stabilises.
- The Company does not have borrowings as at year 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 March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets taking into account all possible impact of known events arising from COVID-19 pandemic. Assessing the impact assessment 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: April 21, 2021



For and on behalf of the Board of Directors



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

**Tejas Networks Ltd.**

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**Brief Profile of Mr. Sanjay Nayak**

Mr. Sanjay Nayak ("Sanjay") is the Managing Director and CEO of Tejas Networks Limited. Sanjay has several years of experience in the field of telecommunication and networking. Prior to Tejas Networks, Sanjay was Managing Director of Synopys (India) Private Limited. Sanjay received the "Technovation Sarabhai Award" from India Electronics and Semiconductor Association (IESA) and the "Electronics Man of the Year" from ELCINA in 2011. He is the Co-Chairman of India's Telecom Equipment and Services Export Promotion Council (TEPC) and was a member of CII's National Committee on ICTE for 2016-17. He is also a member of the FICCI startup committee.

Sanjay has a Master of Science degree from North Carolina State University, USA and a Bachelor of Science degree in Engineering from Birla Institute of Technology, Mesra, where he was awarded the institute gold medal for standing first in the electronics and communication engineering batch.

He has been inducted as a Fellow of the Indian National Academy of Engineering (INAE) for his dynamic leadership in building great scientific Institutions which have immensely contributed for the faster development of the country.

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