



Press Release

Tejas Networks announces consolidated results for quarter ended Dec 31, 2018

Nine months Revenues (net of taxes and pass-through component sale) was 610.9 Cr (YoY decline of 4.7%) and Net profit was 111.4 Cr (YoY increase of 43.8%)

Bengaluru, January 23, 2019: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the third quarter ended Dec 31, 2018. Tejas Networks designs, develops, manufactures and sells high-performance optical and data networking products, which are used to build high-speed communication networks over optical fiber.

For the quarter ended Dec 31, 2018, our consolidated revenues (net of taxes and pass-through component sale) was ₹ 176.2 crore, our operating profit was 11.4% of our revenues (net) and our profit after tax was ₹ 32.8 crore which as percentage of net revenue was 18.6%.

For the nine months ended Dec 31, 2018, our revenues (net of taxes and pass-through component sale) were ₹ 610.9 crore, which was a year-on-year decline of 4.7%. Our operating profit was ₹ 95.0 crore, which was a year-on-year increase of 2.5% and net profit grew by 43.8% on year-on-year basis.

Mr. Sanjay Nayak, Managing Director and CEO said, "For the nine-month period, our revenue declined due to delays in orders from India Government tenders. Our system integration partners have won many tenders, and we expect some of these revenue to come in the next financial year. Nevertheless, based on strong growth from our India private customers and international direct customers, we expect our full year revenues to grow around 20%. In the medium term, our focus is to increase our India private and International sales and we are happy to report that our international sales investments in South East Asia, Africa and North America are yielding positive results and we see a strong funnel for new business."

Mr. Venkatesh Gadiyar, CFO said, "We have improved our nine months profitability (PBT) by over 300 bps on account of higher gross margins for our products. Due to delays in collections from one large India Government customer, our working capital was higher than expected. We expect the collection cycle to normalize in Q4"

During the quarter, we were granted 6 patents bringing our cumulative grant to 100 patents. As on date, we have filed for 349 patents.

04



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 70 countries. Tejas products utilize programmable, software-defined hardware architecture with a common software code-base that delivers seamless upgrades of new features and technology standards. Tejas Networks is ranked among top-10 suppliers in the global optical aggregation segment and has filed over 349 patents.

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

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SAFE HARBOUR

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy and our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, changes in the laws and regulations that apply to the industry in which the Company operates. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

09



Tejas Networks Limited and subsidiaries
Consolidated Balance Sheet as at

(in ₹ crore, except share data)

	December 31, 2018	March 31, 2018
ASSETS		
Non-current assets		
Property, plant and equipment	29.14	35.98
Intangible assets	46.62	38.75
Intangible assets under development	56.29	46.85
Financial assets		
Trade receivables	47.94	34.84
Loans	5.37	5.44
Other financial assets	0.04	0.04
Income tax asset (net)	38.43	32.01
Deferred Tax Asset	136.16	121.16
Other non-current assets	0.18	0.34
Total non - current assets	360.17	315.41
Current assets		
Inventories	174.85	190.89
Financial assets		
Investments	154.27	76.52
Trade receivables	541.33	275.71
Cash and cash equivalents	41.36	214.19
Bank deposits with maturity of more than 3 months but less than 12 months	15.01	16.95
Balance held as margin money	0.04	4.81
Loans	0.71	0.62
Other financial assets	173.72	213.40
Other current assets	26.24	21.27
Total current assets	1,127.53	1,014.36
Total assets	1,487.70	1,329.77
EQUITY AND LIABILITIES		
Equity		
Equity share capital	94.77	94.09
Other equity	1,186.08	1,057.99
Total equity	1,280.85	1,152.08
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1.00	1.00
Provisions	1.46	1.14
Total non - current liabilities	2.46	2.14
Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	131.26	105.03
Other financial liabilities	58.55	53.30
Provisions	9.04	6.89
Other current liabilities	5.54	10.33
Total current liabilities	204.39	175.55
Total equity and liabilities	1,487.70	1,329.77

04



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended Dec 31, 2018	Quarter ended Sep 30, 2018	Quarter ended Dec 31, 2017	Nine months ended Dec 31, 2018	Nine months ended Dec 31, 2017	Year ended March 31, 2018
Revenue from operations*	184.33	207.03	229.87	627.19	665.31	767.44
Other Income	9.30	10.87	6.80	29.82	17.77	27.83
Total Revenue	193.63	217.90	236.67	657.01	683.08	795.27
Expenses						
Cost of materials consumed	95.28	111.19	114.33	318.11	357.06	400.06
Employee benefit expense	27.60	29.81	25.57	89.97	71.78	92.26
Finance costs	4.54	4.07	3.49	11.93	11.85	13.40
Depreciation and amortization expense	16.19	15.04	15.29	48.43	49.44	61.27
Other expenses	25.11	21.40	39.23	75.63	94.33	122.24
Total Expenses	168.72	181.51	197.91	544.07	584.46	689.23
Profit before tax	24.91	36.39	38.76	112.94	98.62	106.04
Current tax	(2.93)	7.91	8.62	16.59	21.17	23.78
Deferred tax	(5.00)	(5.00)	-	(15.00)	-	(24.26)
Profit after tax	32.84	33.48	30.14	111.35	77.45	106.52
Other comprehensive income	(0.95)	2.15	(0.35)	0.38	(1.85)	(1.76)
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit liabilities / (assets)	(0.15)	(0.26)	(0.55)	(0.46)	(2.00)	(1.61)
Items that may be reclassified to profit or loss						
Exchange differences in translating the financial statements of foreign operations	(0.80)	2.41	0.20	0.84	0.15	(0.15)
Total comprehensive income for the period	31.89	35.63	29.79	111.73	75.60	104.76
Earnings per equity share of Rs. 10 each						
Basic (₹)	3.59	3.67	3.35	12.21	9.18	12.41
Diluted (₹)	3.41	3.48	3.16	11.58	8.63	11.73
Weighted average equity shares used in computing earnings per equity share						
Basic	9,14,49,872	9,12,68,735	8,99,46,198	9,12,08,713	8,43,47,915	8,58,58,425
Diluted	9,64,16,160	9,62,64,598	9,53,18,756	9,61,75,001	8,97,20,473	9,08,27,823

*Revenue from operations for quarter ended June 30, 2017 was inclusive of excise duty. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 are net of the related GST. Accordingly, the revenue for the current nine months and the corresponding nine months of the previous year are not strictly comparable.

Supplementary Information

Particulars	Quarter ended Dec 31, 2018	Quarter ended Sep 30, 2018	Quarter ended Dec 31, 2017	Nine months ended Dec 31, 2018	Nine months ended Dec 31, 2017	Year ended March 31, 2018
Revenue from operations	184.33	207.03	229.87	627.19	665.31	767.44
Less: Excise Duty	-	-	-	-	17.64	17.64
Revenue (net of taxes)	184.33	207.03	229.87	627.19	647.67	749.80
Less: Sale of Components	8.17	4.34	3.72	16.30	6.51	9.93
Revenue (net of taxes and component sales)	176.16	202.69	226.15	610.89	641.16	739.87
Year on Year Growth				-4.7%		

9