



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

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

July 23, 2018

Dear Sirs/Madam,

Sub: Outcome of Board Meeting

This is with reference to our letter dated July 12, 2018 informing about the Board Meeting scheduled on July 23, 2018.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Monday, July 23, 2018 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 unaudited financial results (standalone and consolidated) as per IND-AS for the quarter ended June 30, 2018 together with the Limited review report of the Statutory Auditors for the said period is enclosed as **Annexure - A**.

Others

2. The Nomination and Remuneration Committee and the Board of Directors in its meeting held today, have approved the grant of 8,62,550 Restricted Stock Units at face value of the Company's share under Tejas Restricted Stock Unit Plan 2017 to the employees of the Company with the effective date of grant as of April 1, 2018 with a three year vesting period.
3. The Nomination and Remuneration Committee and the Board of Directors in its meeting held today, have approved the grant of 48,800 Restricted Stock Units at face value of the Company's share under Tejas Restricted Stock Unit Plan 2017 to the employees of the Company with the effective date of grant as of July 23, 2018 with a four year vesting period.
4. Allotment of 2,62,710 Equity Shares of the Company pursuant to exercise of stock options by eligible employees under the respective Stock Option Plans.

www.tejasnetworks.com

Tejas Networks Limited.

Regd. Office: 5th Floor, Plot No. 25,
JP Software Park, Electronic City, Phase-1,
Hosur Main Road, Bangalore – 560 100, India.
CIN No: L72900KA2000PLC026980
Email: corporate@tejasnetworks.com
Tel: +91-80-4179 4600/700/800
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We also enclose:

- a) Copy of the press release issued with respect of said financial results as **Annexure- B**.
- b) Extracts of the unaudited financial results (Standalone and Consolidated) for the quarter ended June 30, 2018 being published in the newspapers as **Annexure - C**.
- c) Conference Call Invite: In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Management will host a conference call to discuss the Company's performance on Tuesday, July 24, 2018 at 5.00 P M (IST). The details of the conference call are enclosed herewith as **Annexure - D**.

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

Kindly take the above information on record.

Thanking you,

Yours sincerely
For Tejas Networks Limited

A handwritten signature in black ink, consisting of stylized initials and a horizontal line.

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

Price Waterhouse Chartered Accountants LLP

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

1. ✓ We have reviewed the unaudited consolidated financial results of Tejas Networks Limited (the "Company") and its subsidiaries/ step down subsidiary (hereinafter referred to as the "Group") (refer Note 2 to the Statement) for the quarter ended June 30, 2018 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2018' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the Statement based on our review. ✓
2. ✓ We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. ✓
3. ✓ A review is limited primarily to inquiries of group personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. ✓
4. ✓ Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement. ✓
5. ✓ The consolidated financial results of the Group for the quarter ended June 30, 2017 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, were reviewed by another firm of chartered accountants who, issued their unmodified conclusion, vide their report dated August 03, 2017. Our conclusion is not qualified in respect of this matter. ✓

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



Pradip Kanakia ✓
 Partner ✓

Membership Number: 039985 ✓

Place: Bengaluru ✓
 Date: July 23, 2018 ✓



Tejas Networks Limited

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

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

Corporate Identity Number: U72900KA2000PLC026980

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

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

Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2018

(Rs. in crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Refer Note 14	Refer Note 6	Audited
I Revenue from operations*	235.83	102.13	219.31	767.44
II Other Income	9.65	10.06	4.50	27.83
III Total Revenue (I + II)	245.48	112.19	223.81	795.27
IV EXPENSES				
(a) Cost of materials consumed	111.64	43.00	108.30	382.42
(b) Excise duty	-	-	17.64	17.64
(c) Employee benefits expense	32.56	20.48	22.78	92.26
(d) Finance costs	3.32	1.55	6.82	13.40
(e) Depreciation and amortization expense	17.20	11.83	16.86	61.27
(f) Other expenses	29.12	27.91	25.60	122.24
Total Expenses (IV)	193.84	104.77	198.00	689.23
V Profit before tax (III - IV)	51.64	7.42	25.81	106.04
VI Tax Expense				
(1) Current tax	11.61	2.61	5.37	23.78
(2) Deferred tax (benefit)	(5.00)	(24.26)	-	(24.26)
Total tax expense	6.61	(21.65)	5.37	(0.48)
VII Profit after tax (V - VI)	45.03	29.07	20.44	106.52
VIII Other comprehensive income				
a Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit liabilities / (assets)	(0.07)	(0.05)	(0.38)	(2.05)
Income tax relating to above	0.02	0.44	-	0.44
b Items that may be reclassified to profit or loss				
Exchange differences in translating the financial statements of foreign operations	(0.77)	(0.30)	0.03	(0.15)
IX Total comprehensive income for the period (VII + VIII)	44.21	29.16	20.09	104.76
X Earnings per equity share of Rs. 10 each				
(1) Basic	4.95	3.21	2.78	12.41
(2) Diluted	4.70	3.04	2.65	11.73

* Refer Note 1





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Notes

(Rs. in crore except share data)

- 1 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 revenue from operations for the periods post June 30, 2017 is net of the related GST. Accordingly, the revenue for the current quarter and the corresponding quarter of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes is given below:

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Refer Note 14	Refer Note 6	Audited
Revenue from operations	235.83	102.13	219.31	767.44
Less: Excise Duty	-	-	17.64	17.64
Revenue from operations (net of excise duty)	235.83	102.13	201.67	749.80
Comparable revenue increase (in %)	17%			

- 2 The Statement includes the results of Tejas Networks Limited ('the Company') and the following subsidiaries/ step down subsidiary (collectively referred as 'the Group' hereinafter):

- Tejas Communication Pte Limited, Singapore
- Tejas Israel Limited,
- vSave Energy Pvt. Limited and
- Tejas Communication (Nigeria) Limited

- 3 These financial results of the Group have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies ('Ind AS') and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('SEBI Circular').

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

- 5 During the quarter ended June 30, 2017, the Company completed an Initial Public Offer ('IPO') and allotted 1,75,09,727 equity shares of Rs. 10/- each at a premium of Rs 247/- per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from June 27, 2017. Cumulatively 100% of the proceeds have been utilised during the current quarter. There was no deviation in use of proceeds from the objects stated in the offer document.

- 6 The Ind AS compliant corresponding figures for the quarter ended June 30, 2017 are based on financial results prepared in accordance with Ind AS which were reviewed by the predecessor auditor who, issued their unmodified conclusion, vide their report dated August 03, 2017.

- 7 Summary of key standalone financial results is as follows:

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
Revenues from operations	235.41	98.25	217.74	761.07
Profit before tax	51.76	5.47	25.57	106.64
Profit after tax	45.15	27.12	20.20	107.12

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

- 8 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961. The Company and its officials fully co-operated with the Income Tax Department. As on date, there is no demand raised by the Income Tax Department. The Company is of the view that the outcome of the proceedings will not have any material impact on the Group's results. Post the current quarter, the Company and certain officers of the Company have received Summons under section 276C(1) of the Income Tax Act, 1961 from the Special Court for Economic Offences. The Company is taking appropriate steps in this matter.

- 9 The Company has received an Order from CESTAT dated July 4, 2018 with respect to applicability of excise duty on the software used as part of the Multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software will require to be included for the purpose of arriving at the assessable value for calculating the excise duty liability. Accordingly, CESTAT has remanded the matter back to the adjudicating authority for quantifying the differential duty liability, interest and penalties. Based on Management's assessment of the CESTAT Order, supported by an external legal opinion, Management has concluded that the company has a strong case to defend its position in this matter and accordingly, no provision has been made in this statement of results, for the financial impact if any, arising from the aforesaid CESTAT Order. The Company had disclosed this matter as contingent liability/footnote in the consolidated financial statements for the year ended March 31, 2018.

- 10 The Group has with effect from April 01, 2018 revised the estimated useful lives of Laboratory Equipment, Electrical Installation and Furniture and Fittings from 10 years to 5 years, Vehicles from 8 years to 5 years and Servers and Networking Equipment from 6 years to 5 years, based on a periodic technical evaluation carried out during the quarter. Accordingly, additional depreciation of Rs 5.64 has been charged on a prospective basis in this statement of financial results.

- 11 The Group has issued 8,62,550 Restricted Stock Units (RSU) to its employees at face value of the Company's share, which was approved by the Nomination and Remuneration Committee and the Board of Directors. The vesting period of the above RSU's commences from April 01, 2018. An amount of Rs 4.43 representing the fair value of such RSU's has been charged in this statement of financial results.





Tejas Networks Limited

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(Rs. in crore except share data)

- 12 The Group has from time to time in the normal course of business entered into factoring agreements with a banker for some of the trade receivables from a major customer on a non-recourse basis and as at June 30, 2018 has derecognized such receivables amounting to Rs 76.77 (June 30, 2017: Nil) in accordance with Ind AS 109 - Financial Instruments, pursuant to such factoring agreement.
- 13 The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 01, 2018 by applying the modified retrospective approach. Based on an evaluation, the Group has identified and considered the impact on account of Ind AS 115 in this statement of results on long term retention money due from customers and penalties/ liquidated damages, where applicable.
- 14 The figures for the quarter ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year which were subjected to review.
- 15 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 16 The above statement of consolidated financial results was reviewed by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on July 23, 2018. The Statutory Auditors of the Company have carried out a limited review of this statement of consolidated financial results for the quarter ended June 30, 2018.

Place: Bengaluru
Date: July 23, 2018

For and on behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)



20

Price Waterhouse Chartered Accountants LLP

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

1. ✓ We have reviewed the unaudited financial results of Tejas Networks Limited (the “Company”) for the quarter ended June 30, 2018, ✓ which are included in the accompanying ‘Statement of Standalone ✓ Unaudited Financial Results for the quarter ended June 30, 2018’ together with the notes thereon ✓ (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of ✓ the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing ✓ Regulations, 2015”), which has been initialled by us for identification purposes. The Statement is the ✓ responsibility of the Company’s Management and has been approved by its Board of Directors. Our ✓ responsibility is to issue a report on the Statement based on our review. ✓
2. ✓ We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, ✓ “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” ✓ issued by the Institute of Chartered Accountants of India. This Standard requires that we plan ✓ and perform the review to obtain moderate assurance as to whether the Statement is free of ✓ material misstatement. ✓
3. ✓ A review is limited primarily to inquiries of company personnel and analytical procedures applied to ✓ financial data and thus provides less assurance than an audit. We have not performed an audit and, ✓ accordingly, we do not express an audit opinion. ✓
4. ✓ Based on our review conducted as above, nothing has come to our attention that causes us to believe ✓ that the Statement has not been prepared in all material respects in accordance with the applicable ✓ Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised ✓ accounting practices and policies, and has not disclosed the information required to be disclosed in ✓ terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be ✓ disclosed, or that it contains any material misstatement. ✓
5. ✓ The standalone financial results of the Company for the quarter ended June 30, 2017 prepared in ✓ accordance with Companies (Indian Accounting Standards) Rules, 2015, were reviewed by another ✓ firm of chartered accountants who, issued their unmodified conclusion, vide their report dated August ✓ 03, 2017. Our conclusion is not qualified in respect of this matter. ✓

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



Pradip Kanakia ✓
Partner ✓
Membership Number: 039985 ✓

Place: Bengaluru ✓
Date: July 23, 2018 ✓



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Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2018

Particulars	(Rs. in crore except per share data)			
	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
	Unaudited	Refer Note 12	Refer Note 5	Audited
I Revenue from operations*	235.41	98.25	217.74	761.07
II Other Income	9.72	9.38	4.54	27.22
III Total Revenue (I + II)	245.13	107.63	222.28	788.29
IV EXPENSES				
(a) Cost of materials consumed	111.62	42.92	108.39	382.30
(b) Excise duty	-	-	17.64	17.64
(c) Employee benefits expense	31.04	19.12	22.05	88.65
(d) Finance costs	3.17	1.62	6.83	13.45
(e) Depreciation and amortization expense	17.20	11.83	16.86	61.27
(f) Other expenses	30.34	26.67	24.94	118.34
Total Expenses (IV)	193.37	102.16	196.71	681.65
V Profit before tax (III - IV)	51.76	5.47	25.57	106.64
VI Tax Expense				
(1) Current tax	11.61	2.61	5.37	23.78
(2) Deferred tax (benefit)	(5.00)	(24.26)	-	(24.26)
Total tax expense	6.61	(21.65)	5.37	(0.48)
VII Profit after tax (V - VI)	45.15	27.12	20.20	107.12
VIII Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit liabilities / (assets)	(0.07)	(0.05)	(0.38)	(2.05)
Income tax relating to above	0.02	0.44	-	0.44
IX Total comprehensive income for the period (VII + VIII)	45.10	27.51	19.82	105.51
X Earnings per equity share of Rs. 10 each				
(1) Basic	4.97	3.00	2.75	12.48
(2) Diluted	4.71	2.84	2.62	11.79

* Refer Note 1





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(Rs. in crore except share data)

- 1 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 revenue from operations for the periods post June 30, 2017 is net of the related GST. Accordingly, the revenue for the current quarter and the corresponding quarter of the previous year are not strictly comparable. On a comparable basis, revenue, net of such taxes is given below:

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Refer Note 12	Refer Note 5	Audited
Revenue from operations	235.41	98.25	217.74	761.07
Less: Excise Duty	-	-	17.64	17.64
Revenue from operations (net of excise duty)	235.41	98.25	200.10	743.43
Comparable revenue increase (in %)	18%			

- 2 These financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies ('Ind AS') and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('SEBI Circular').
- 3 The Company's operations comprise of only one segment viz. Networking equipment.
- 4 During the quarter ended June 30, 2017, the Company completed an Initial Public Offer ('IPO') and allotted 1,75,09,727 equity shares of Rs. 10/- each at a premium of Rs 247/- per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from June 27, 2017. Cumulatively 100% of the proceeds have been utilised during the current quarter. There was no deviation in use of proceeds from the objects stated in the offer document.
- 5 The Ind AS compliant corresponding figures for the quarter ended June 30, 2017 are based on financial results prepared in accordance with Ind AS which were reviewed by the predecessor auditor who, issued their unmodified conclusion, vide their report dated August 03, 2017.
- 6 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961. The Company and its officials fully co-operated with the Income Tax Department. As on date, there is no demand raised by the Income Tax Department. The Company is of the view that the outcome of the proceedings will not have any material impact on the Company's results. Post the current quarter, the Company and certain officers of the Company have received Summons under section 276C(1) of the Income Tax Act, 1961 from the Special Court for Economic Offences. The Company is taking appropriate steps in this matter.
- 7 The Company has received an Order from CESTAT dated July 4, 2018 with respect to applicability of excise duty on the software used as part of the Multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software will require to be included for the purpose of arriving at the assessable value for calculating the excise duty liability. Accordingly, CESTAT has remanded the matter back to the adjudicating authority for quantifying the differential duty liability, interest and penalties. Based on Management's assessment of the CESTAT Order, supported by an external legal opinion, Management has concluded that the company has a strong case to defend its position in this matter and accordingly, no provision has been made in this statement of results, for the financial impact if any, arising from the aforesaid CESTAT Order. The Company had disclosed this matter as contingent liability/footnote in the financial statements for the year ended March 31, 2018.
- 8 The Company has with effect from April 01, 2018 revised the estimated useful lives of Laboratory Equipment, Electrical Installation and Furniture and Fittings from 10 years to 5 years, Vehicles from 8 years to 5 years and Servers and Networking Equipment from 6 years to 5 years, based on a periodic technical evaluation carried out during the quarter. Accordingly, additional depreciation of Rs 5.64 has been charged on a prospective basis in this statement of financial results.
- 9 The Company has issued 8,62,550 Restricted Stock Units (RSU) to its employees at face value of the Company's share, which was approved by the Nomination and Remuneration Committee and the Board of Directors. The vesting period of the above RSU's commences from April 01, 2018. An amount of Rs 4.43 representing the fair value of such RSU's has been charged in this statement of financial results.
- 10 The Company has from time to time in the normal course of business entered into factoring agreements with a banker for some of the trade receivables from a major customer on a non-recourse basis and as at June 30, 2018 has derecognized such receivables amounting to Rs 76.77 (June 30, 2017: Nil) in accordance with Ind AS 109 - Financial Instruments, pursuant to such factoring agreement.
- 11 The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 01, 2018 by applying the modified retrospective approach. Based on an evaluation, the Company has identified and considered the impact on account of Ind AS 115 in this statement of results on long term retention money due from customers and penalties/ liquidated damages, where applicable.
- 12 The figures for the quarter ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year which were subjected to review.
- 13 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 14 The above statement of financial results was reviewed by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on July 23, 2018. The Statutory Auditors of the Company have carried out a limited review of this statement of financial results for the quarter ended June 30, 2018.

For and on behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)

Place: Bengaluru
Date: July 23, 2018



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Press Release

Tejas Networks announces consolidated results for quarter ended June 30, 2018

***Revenue (net of taxes and pass-through component sale) grew by 16.0% year-on-year
Net profit grew by 120.3% year-on-year***

Bengaluru, July 23, 2018: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the first quarter ended June 30, 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 June 30, 2018, our consolidated revenues (net of taxes and pass-through component sale) were ₹ 232.0 crore which was a year-on-year growth of 16.0% and sequential growth of 135.1%. Operating profit was at ₹ 45.3 crore which was 19.5% of our revenues (net) as against 14.1% for Q1 2018. Our profit after tax was ₹ 45.0 crore which was a year-on-year increase of 120.3%. Our PAT as percentage of net revenue increased from 10.2% in Q1 2018 to 19.4% in Q1 2019.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We had a solid quarter of revenue and profitability growth. Our India business continues to show robust growth due to increased demand for data and Indian government's focus in rolling out broadband networks. While we expect India to continue to be a large part of our business during this year, we see strong momentum in our international business, across South-East Asia, Africa, Mexico and USA. During the quarter, we received orders from seven new international customers. With a strong pipeline of orders and many active engagements, we are confident of strong growth this year."

The increased use of data by consumers, businesses and governments results in an increased demand for our optical transmission equipment. The advent of 5G and IOT, densification of fiber networks and proliferation of cloud services, continues to provide a long-term growth opportunity for our business, since our customers need to enhance their network infrastructure.

Mr. Venkatesh Gadiyar, CFO said, "We made a good start to the year with strong revenue growth and increased profitability on account of higher gross margins. As a deep-technology company, we stay committed to invest in R&D, which has seen a year-on-year increase of 37% on a gross basis. We will continue to tightly manage our working capital and expect to see some improvement during the year. We have a strong balance sheet to support our growth and our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, stood at ₹ 508.9 crore."

During the quarter, we were granted 2 patents resulting in a cumulative grant of 78 patents. As on date, we have filed for 342 patents. We also won the "Best Exporter Award" from Federation of Karnataka Chambers of Commerce and Industry.

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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 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 342 patents.

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

Investor Relations: ir@india.tejasnetworks.com

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

SAFE HARBOUR

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

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Tejas Networks Limited and subsidiaries
Consolidated Balance Sheet as at

(in ₹ crore, except share data)

	June 30, 2018	March 31, 2018
ASSETS		
Non-current assets		
Property, plant and equipment	30.80	35.98
Intangible assets	46.82	38.75
Intangible assets under development	46.88	46.85
Financial assets		
Trade receivables	51.30	34.84
Loans	5.89	5.44
Other financial assets	0.04	0.04
Income tax asset (net)	32.53	32.01
Deferred Tax Asset	126.16	121.16
Other non-current assets	0.36	0.34
Total non-current assets	340.78	315.41
Current assets		
Inventories	166.48	190.89
Financial assets		
Investments	41.28	76.52
Trade receivables	361.06	275.71
Cash and cash equivalents	37.05	214.19
Bank deposits with maturity of more than 3 months but less than 12 months	121.95	16.95
Balance held as margin money	0.04	4.81
Loans	1.15	0.62
Other financial assets	317.27	213.40
Other current assets	15.08	21.27
Total current assets	1,061.36	1,014.36
Total assets	1,402.14	1,329.77
EQUITY AND LIABILITIES		
Equity		
Share capital	94.30	94.09
Other equity	1,110.54	1,057.99
Total equity	1,204.84	1,152.08
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1.00	1.00
Provisions	1.29	1.14
Total non-current liabilities	2.29	2.14
Current liabilities		
Financial liabilities		
Trade payables	105.44	105.03
Other financial liabilities	57.17	53.30
Provisions	7.61	6.89
Current tax liabilities (Net)	4.86	-
Other current liabilities	19.93	10.33
Total current liabilities	195.01	175.55
Total equity and liabilities	1,402.14	1,329.77

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Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
Revenue from operations*	235.83	102.13	219.31	767.44
Other Income	9.65	10.06	4.50	27.83
Total Revenue	245.48	112.19	223.81	795.27
Expenses				
Cost of materials consumed	111.64	43.00	125.94	400.06
Employee benefit expense	32.56	20.48	22.78	92.26
Finance costs	3.32	1.55	6.82	13.40
Depreciation and amortization expense	17.20	11.83	16.86	61.27
Other expenses	29.12	27.91	25.60	122.24
Total Expenses	193.84	104.77	198.00	689.23
Profit before tax	51.64	7.42	25.81	106.04
Current tax	11.61	2.61	5.37	23.78
Deferred tax	(5.00)	(24.26)	-	(24.26)
Profit after tax	45.03	29.07	20.44	106.52
Other comprehensive income	(0.82)	0.09	(0.35)	(1.76)
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit liabilities / (asset)	(0.05)	0.39	(0.38)	(1.61)
Items that may be reclassified to profit or loss				
Exchange differences in translating the financial statements of foreign operations	(0.77)	(0.30)	0.03	(0.15)
Total comprehensive income for the period	44.21	29.16	20.09	104.76
Earnings per equity share of Rs. 10 each				
Basic (₹)	4.95	3.21	2.78	12.41
Diluted (₹)	4.70	3.04	2.65	11.73
Weighted average equity shares used in computing earnings per equity share				
Basic	9,09,03,642	9,04,73,874	7,33,69,609	8,58,58,425
Diluted	9,58,14,581	9,54,43,272	7,69,65,392	9,08,27,823

*Revenue from operations for the quarter ended June 30, 2017 was inclusive of excise duty Rs. 17.64 crore. Post introduction of Goods and Services Tax (GST), effective July 1, 2017 revenue from operations for the quarter ended June 30, 2018 is net of the related GST Rs. 38.69 crore. Accordingly, the revenue for the current quarter and the corresponding quarter are not strictly comparable. On a comparable basis, revenue, net of such taxes for the quarter ended June 30, 2018 is higher by 17% in comparison to the corresponding quarter.

Supplementary Information

Particulars	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
Revenue from operations	235.83	102.13	219.31	767.44
Less: Excise Duty	-	-	17.64	17.64
Revenue (net of taxes)	235.83	102.13	201.67	749.80
Less: Sale of Components	3.79	3.42	1.56	9.93
Revenue (net of taxes and component sales)	232.04	98.71	200.11	739.87
Year on Year Growth	16.0%			

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Tejas Networks Limited

Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,
Konnappana Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.

Corporate Identity Number: U72900KA2000PLC026980

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

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

Extract of Consolidated Unaudited Results for the quarter ended June 30, 2018

Sl. No.	Particulars	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
1	Total Income from operations*	235.83	102.13	219.31	767.44
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)#	51.64	7.42	25.81	106.04
3	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)#	45.03	29.07	20.44	106.52
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	44.21	29.16	20.09	104.76
5	Equity Share Capital	94.30	94.09	92.82	94.09
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year) (Refer Note 3)	1,057.99	1,057.99		1,057.99
7	Earnings per Share (of Rs. 10/- each)				
	(i) Basic ₹	4.95	3.21	2.78	12.41
	(ii) Diluted ₹	4.70	3.04	2.65	11.73

Notes

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

Particulars	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended June 30, 2017	Year ended March 31, 2018
Total Income from operations*	235.41	98.25	217.74	761.07
Profit before tax	51.76	5.47	25.57	106.64
Profit after tax	45.15	27.12	20.20	107.12

- 2 The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The full format of the Quarterly Results are available on the website of the Stock Exchange(s) and the Company (www.tejasnetworks.com).
- 3 Pursuant to the exemption available vide SEBI circular dated July 05, 2016, the line item "Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year" has not been disclosed for the quarter ended June 30, 2017.
- 4 During the quarter September 2017, the Income Tax Department initiated proceedings under Section 132 of the Income tax Act, 1961. The Company and its officials fully co-operated with the Income Tax Department. As on date, there is no demand raised by the Income Tax Department. The Company is of the view that the outcome of the proceedings will not have any material impact on the Group's results. Post the current quarter, the Company and certain officers of the Company have received Summons under section 276C(1) of the Income Tax Act, 1961 from the Special Court for Economic Offences. The Company is taking appropriate steps in this matter.
- 5 The Company has received an Order from CESTAT dated July 4, 2018 with respect to applicability of excise duty on the software used as part of the Multiplexer products during the financial years 2002 to 2009 and 2011 to 2014. According to the Order, the value of software will require to be included for the purpose of arriving at the assessable value for calculating the excise duty liability. Accordingly, CESTAT has remanded the matter back to the adjudicating authority for quantifying the differential duty liability, interest and penalties. Based on Management's assessment of the CESTAT Order, supported by an external legal opinion, Management has concluded that the company has a strong case to defend its position in this matter and accordingly, no provision has been made in this statement of results, for the financial impact if any, arising from the aforesaid CESTAT Order. The Company had disclosed this matter as contingent liability/footnote in the consolidated financial statements for the year ended March 31, 2018.

* excludes other income.

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

For and on behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)

Place: Bengaluru
Date: July 23, 2018

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Tejas Networks (TEJASNET IN) 1QFY19 Earnings call

Nomura is pleased to invite you to the Tejas Networks 1QFY19 earnings Conference call. This format offers Institutional Investors/Analyst an opportunity to interact with Tejas Networks' top management to discuss the company's 1QFY19 performance, state of operations and business strategy going ahead.

We look forward to your participation in this event. Please see dial-in details below.

Country Local Access Numbers		
Location	Toll	Toll Free
India	+91 11 66754715	1800 2000 148
Hong Kong	-	800933332
Singapore	-	8001206940
United Arab Emirates	-	800035770170
United Kingdom	-	8000260023
United States	-	18558616822/ 18555737117

Day & Date:

Tuesday, July 24, 2018

Time:

5:00pm-6:00pm IST

7:30pm-8:30pm HK/SG | 3:30pm-4:30pm UAE | 12:30pm-1:30pm UK | 7:30am-8:30am EST

Company Delegates:

Mr. Sanjay Nayak – CEO & MD

Mr. Kumar N. Sivarajan – CTO

Mr. Arnob Roy – President (Optical Products)

Mr. Venkatesh Gadiyar – CFO

Company Description:

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 341 patents

Moderator:

Anirudh Gangahar – Analyst (Coal, Power Utilities, Renewables, Telcos)

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E: anirudh.gangahar@nomura.com

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