



Press Release

Tejas Networks announces consolidated results for quarter ended September 30, 2022
Q2 23 revenue was Rs. 219.9 crore and H1 23 revenue was Rs. 345.7 crore
Q2 23 Net profit was Rs. 1.1 crore and H1 23 loss was Rs. 5.6 crore

Bengaluru, October 21, 2022: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the second quarter ended September 30, 2022. Tejas Networks designs, develops, manufactures and sells high-performance telecom and networking products, which are used to build high-speed communication networks.

For Q2-FY23, consolidated net revenue was Rs. 219.9 crore, which was a YoY increase of 27.3%, resulting in a profit before tax of Rs. 10.9 crore as compared to Rs. 3.3 crore, for corresponding previous period. Profit after tax was Rs. 1.1 crore as compared to Rs. 3.7 crore for corresponding previous period. Effective Q2-FY23 Saankhya Labs revenue is consolidated in Tejas books and the above revenue includes Rs. 14 crore from Saankhya Labs.

For H1-FY23, consolidated net revenue was Rs. 345.7 crore, which was a YoY increase of 9.0%, resulting in a loss before tax of Rs. 2.1 crore as compared to profit of Rs. 11.7 crore, for corresponding previous period. Loss after tax was Rs. 5.6 crore as compared to a profit of Rs. 11.2 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We continue to see strong order inflow for our optical products, resulting in all-time high order book of Rs 1,455 crore. We have been re-engineering our supply chain processes and have made substantial improvements during Q2, which will yield better results in the coming quarters. With the launch of our 4G and 5G products, we are well positioned to scale our wireless business in addition to our existing optical business. The integration of Saankhya Labs is progressing well and this has strengthened our R&D investments for 5G development".

Mr. Venkatesh Gadiyar, CFO said, "During Q2, we made investment in Saankhya Labs amounting to Rs. 284 crore and as on September 30, 2022, our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, were Rs. 1,402 crore and we continue to be a debt-free Company. We have also started the merger process for acquisition of the balance 35.60% of Saankhya Labs shares, into our company".

02



About Tejas Networks Limited

Tejas Networks Ltd. designs and manufactures high-performance wireline and wireless networking products for telecommunications service providers, internet service providers, utilities, defence and government entities in over 75 countries. Tejas Networks Ltd. is a part of the Tata Group, with Panatone Finvest Ltd. (a subsidiary of Tata Sons Pvt. Ltd.) being the majority shareholder.

For more information, visit Tejas Networks Ltd. at <http://www.tejasnetworks.com> or contact Investor Relations: ir@india.tejasnetworks.com
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SAFE HARBOUR

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

09
7



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

(in Rs. crore)

	September 30, 2022	March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	58.91	40.09
Right-of-use assets	52.49	14.56
Intangible assets	85.73	83.20
Intangible assets under development	68.44	39.61
Goodwill	355.21	-
Financial assets		
Trade receivables	10.89	7.07
Other financial assets ¹	8.11	5.71
Current tax asset (net)	37.73	35.63
Deferred Tax Asset	110.57	111.33
Other non-current assets	30.48	23.19
Total non - current assets	822.54	360.39
Current assets		
Inventories	399.46	278.02
Financial assets		
Investments ²	309.32	401.78
Trade receivables	369.16	285.09
Cash and cash equivalents ³	83.68	47.56
Other bank balances ⁴	658.26	299.68
Other financial assets ⁵	371.21	363.16
Other current assets	122.60	74.44
Total current assets	2,313.69	1,749.73
Total assets	3,136.23	2,110.12
EQUITY AND LIABILITIES		
Equity		
Equity share capital	155.38	117.82
Other equity	2,492.80	1,812.43
Total equity	2,648.18	1,930.25
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	48.32	11.95
Other financial liabilities	150.52	-
Provisions	2.41	0.49
Total non - current liabilities	201.25	12.44
Current liabilities		
Financial liabilities		
Lease Liabilities	8.96	7.81
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	28.87	11.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	171.07	100.09
Other financial liabilities	30.12	22.48
Provisions	14.58	6.92
Other current liabilities	33.20	18.65
Total current liabilities	286.80	167.43
Total equity and liabilities	3,136.23	2,110.12

Supplementary Information

(in Rs. crore)

	September 30, 2022	March 31, 2022
Cash and Cash Equivalents as at		
¹ Other non current financial asset includes Fixed Deposits with banks with remaining maturity of more than twelve months	-	0.22
² Investments includes Investment in mutual funds	309.32	401.78
³ Cash and cash equivalents	83.68	47.56
⁴ Other bank balances	658.26	299.68
⁵ Other current financial asset includes Deposits with financials institutions	348.82	351.79
⁵ Other current financial asset includes Fixed Deposits with banks with original maturity of more than twelve months but remaining maturity of less than twelve months	2.07	1.15
Total	1,402.15	1,102.18

09



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended September 30, 2022	Quarter ended Jun 30, 2022	Quarter ended September 30, 2021	Six months September 30, 2022	Six months September 30, 2021	Year ended March 31, 2022
Revenue from operations	219.94	125.76	172.78	345.70	317.03	550.59
Other Income	20.05	18.69	4.17	38.74	12.55	43.30
Total Income	239.99	144.45	176.95	384.44	329.58	593.89
Expenses						
Cost of materials consumed	115.39	67.40	91.05	182.79	157.01	290.74
Purchases of stock in trade	7.08	8.93	1.79	16.01	11.07	23.69
Changes in inventories of stock in trade	(3.40)	0.28	(0.24)	(3.12)	(1.67)	(3.65)
Employee benefit expense	48.51	37.96	32.12	86.47	61.72	134.43
Finance costs	4.87	0.94	0.90	5.81	2.16	3.19
Depreciation and amortization expense	25.82	23.37	18.28	49.19	34.67	76.78
Allowance for expected credit loss	(8.24)	(4.71)	5.14	(12.95)	6.30	87.76
Other expenses	39.06	23.22	24.58	62.28	46.65	98.08
Total Expenses	229.09	157.39	173.62	386.48	317.91	711.02
Profit/(Loss) before tax	10.90	(12.94)	3.33	(2.04)	11.67	(117.13)
Current tax	1.36	(0.89)	0.19	0.47	1.63	0.19
Deferred tax	8.47	(5.41)	(0.52)	3.06	(1.17)	(54.61)
Profit/(Loss) after tax	1.07	(6.64)	3.66	(5.57)	11.21	(62.71)
Other comprehensive income/(loss)	(2.44)	0.17	(1.12)	(2.27)	(1.07)	(1.19)
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation (Net of tax)	(2.57)	(0.05)	(1.57)	(2.62)	(1.53)	(2.08)
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	0.13	0.22	0.45	0.35	0.46	0.89
Total comprehensive income/(loss) for the period	(1.37)	(6.47)	2.54	(7.84)	10.14	(63.90)
Earnings/(Loss) per equity share of Rs. 10 each						
Basic (Rs.)	0.07	(0.45)	0.37	(0.37)	1.17	(5.97)
Diluted (Rs.)	0.07	(0.45)	0.30	(0.37)	0.93	(5.97)
Weighted average equity shares used in computing earnings per equity share						
Basic	15,16,39,508	14,86,17,496	9,85,89,967	15,01,36,759	9,59,81,843	10,50,19,617
Diluted	16,38,33,828	14,86,17,496	12,39,44,451	15,01,36,759	12,09,77,666	10,50,19,617

As a result of acquisition of controlling interest by the Company in Saankhya and Saankhya in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated results for the Quarter and Six Months ended 30th September 2022 includes the contribution from those entities as below:

	Rs. In crore	
Particulars	Quarter ended September 30, 2022	Six months ended September 30, 2022
Revenue from Operations	13.87	13.87
Profit / (Loss) before Tax	(5.31)	(5.31)
Profit / (Loss) after Tax	(5.28)	(5.28)

09