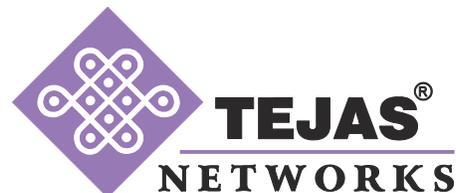


Tejas Networks Ltd.

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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

October 20, 2021

Dear Sir/Madam,

Re: Outcome of Board Meeting

This is with reference to our letter dated October 05, 2021 informing about the Board Meeting scheduled on October 20, 2021.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Wednesday, October 20, 2021 through video-conference has inter alia considered and approved the following:

Financial Results:

1. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the unaudited financial results (standalone and consolidated) as per IND-AS for the quarter and half-year ended September 30, 2021 together with the Limited review report of the Statutory Auditors for the said period is enclosed as **Annexure - A**.

Other matters:

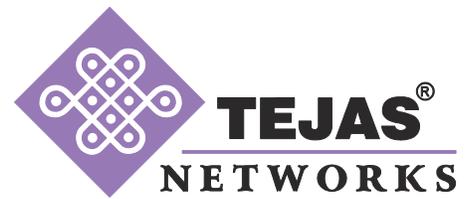
2. The Nomination and Remuneration Committee and the Board of Directors in its meeting held today, have approved the grant of 2,75,500 Restricted Stock Units at face value of Rs. 10/- each under Tejas Restricted Stock Unit Plan 2017 to the employees of the Company with the effective date of grant as of October 20, 2021.
3. Allotment of 25,607 Equity Shares of the Company pursuant to exercise of the Stock Options/ Restricted Stock Units by eligible employees of the Company under respective Stock Options Plans/ Tejas Restricted Stock Unit Plan 2017.

We also enclose:

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

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Please note that the Conference Call details to discuss the Company's performance on Wednesday, October 20, 2021 at 7.00 P.M (IST) has already been intimated to Stock Exchanges vide our letter dated October 13, 2021.

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

Kindly take the above information on record and acknowledge.

Thanking you,

Yours sincerely

For Tejas Networks Limited

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

Encl: as above

Price Waterhouse Chartered Accountants LLP

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

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

1. We have reviewed the unaudited financial results of Tejas Networks Limited (the "Company") for the quarter and the half year ended September 30, 2021 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2021', 'Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2021 and 'Standalone unaudited statement of Cash Flows for the six months ended on September 30, 2021' together with the notes thereon (the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Standalone Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



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

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

5. We draw your attention to the following:
- a. Note 7 to the Standalone Statement regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to Rs. 83.77 crores (net of provision of Rs. 28.02 crores) as at September 30, 2021. The Company's management believes that the aforesaid receivables are good and fully recoverable and that no additional allowances for credit losses are necessary in respect of these balances as at September 30, 2021.
 - b. Note 8 to the Standalone Statement which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of these matters.

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



Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 21209136AAAADK4457

Place: Bengaluru
Date: October 20, 2021



Tejas Networks Limited

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Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2021

(Rs In crore except per data share)

Particulars	Quarter ended	Quarter ended	Quarter ended	Six months ended	Six months ended	Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	172.53	144.07	109.89	316.60	188.62	524.49
II Other Income (Refer Note - 10)	4.09	8.38	8.09	12.47	12.41	24.81
III Total income (I + II)	176.62	152.45	117.98	329.07	201.03	549.30
IV EXPENSES						
(a) Cost of materials consumed	92.60	73.81	58.97	166.41	94.15	268.74
(b) Employee benefit expense	30.45	27.02	24.61	57.47	49.54	109.57
(c) Finance costs	0.85	1.23	0.99	2.08	1.90	3.58
(d) Depreciation and amortization expense	18.28	16.39	11.84	34.67	25.62	52.12
(e) Allowance for expected credit loss	5.14	1.16	(0.82)	6.30	3.20	12.49
(f) Other expenses	26.15	24.57	17.88	50.72	31.99	80.53
Total expenses (IV)	173.47	144.18	113.47	317.65	206.40	527.03
V Profit/(Loss) before tax (III - IV)	3.15	8.27	4.51	11.42	(5.37)	22.27
VI Income tax expense/(benefit)						
(1) Current tax expense/(benefit)	0.19	1.44	-	1.63	-	-
(2) Deferred tax expense/(benefit)	(0.52)	(0.65)	-	(1.17)	-	(15.02)
Total tax expense/(benefit)	(0.33)	0.79	-	0.46	-	(15.02)
VII Profit/(Loss) after tax (V - VI)	3.48	7.48	4.51	10.96	(5.37)	37.29
VIII Other comprehensive Income/(loss)						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation	(1.90)	0.05	0.75	(1.85)	0.70	2.21
Income tax relating to above	0.33	(0.01)	-	0.32	-	-
IX Total comprehensive income/(loss) for the period (VII + VIII)	1.91	7.52	5.26	9.43	(4.67)	39.50
X Earnings/(Loss) per equity share						
Equity shares of par value Rs. 10 each						
(1) Basic	0.36	0.80	0.49	1.15	(0.58)	4.03
(2) Diluted	0.28	0.77	0.49	0.91	(0.58)	3.96



For identification purpose



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Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2021

Particulars	(Rs. in crore)	
	As at	
	September 30, 2021	March 31, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	30.23	29.48
Right-of-use assets	17.61	16.10
Intangible assets	65.97	65.43
Intangible assets under development	42.06	24.49
Investments in subsidiaries	10.87	10.87
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	73.39	72.97
(iii) Other financial assets	6.91	6.87
Current Tax Asset (net)	40.89	62.61
Deferred Tax Assets	58.21	56.72
Other non-current assets	9.78	6.98
Total non-current assets	355.92	352.52
Current assets		
Inventories	226.73	213.65
Financial assets		
(i) Investments	588.91	37.37
(ii) Trade receivables	332.70	330.88
(iii) Cash and cash equivalents	141.16	52.44
(iv) Bank balances other than (iii) above	224.27	164.09
(v) Loans	0.03	0.17
(vi) Other financial assets	241.42	110.30
Other current assets	87.95	53.46
Total current assets	1,843.17	962.36
Total assets	2,199.09	1,314.88
EQUITY AND LIABILITIES		
Equity		
Equity share capital	117.19	96.51
Other equity	1,873.98	1,036.45
Total equity	1,991.17	1,132.96
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	15.99	17.07
Provisions	0.64	0.69
Total non-current liabilities	16.63	17.76
Current liabilities		
Financial liabilities		
(i) Lease Liabilities	7.18	4.83
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	8.09	11.84
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	122.38	86.45
(iii) Other financial liabilities	36.77	46.00
Provisions	8.85	5.22
Other current liabilities	8.02	9.82
Total current liabilities	191.29	164.16
Total liabilities	207.92	181.92
Total equity and liabilities	2,199.09	1,314.88

* Amount below the rounding off norm adopted by the Company



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Standalone unaudited statement of Cash Flows for the six months ended on September 30, 2021

Particulars	(Rs. In crore)	
	Six months ended	Six months ended
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
Cash flows from operating activities		
Profit/(Loss) before tax	11.42	(5.37)
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	34.67	25.62
Allowance for expected credit loss (net)	6.30	3.20
Interest Income	(9.44)	(9.58)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	(0.08)	(0.14)
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(0.54)	(1.50)
Finance costs recognized in profit or loss	2.08	1.90
Unrealized Exchange Difference on cash held in foreign currencies	(0.15)	-
Unrealised Exchange Difference (Net)	(0.47)	3.81
Expense recognized in respect of equity-settled share-based payments	3.88	3.24
	47.67	21.18
Movements in working capital:		
(Increase)/decrease in inventories	(13.08)	18.89
(Increase)/decrease in trade receivables	(7.86)	23.32
(Increase)/decrease in loans	0.14	0.38
(Increase)/decrease in other financial assets	(0.45)	5.06
(Increase)/decrease in other assets	(33.67)	(3.26)
Increase/(decrease) in trade and other payables	31.44	2.30
Increase/(decrease) in provisions	1.67	0.03
Increase/(decrease) in other financial liabilities	(10.34)	(8.70)
Increase/(decrease) in other liabilities	(1.86)	(2.18)
Cash generated from operations	13.66	57.02
Income taxes refund/(paid)	21.81	(2.61)
a) Net cash generated from operating activities	35.47	54.41
Cash flows from investing activities		
Expenditure on property, plant and equipment	(9.89)	(5.01)
Expenditure on intangible assets (including under development)	(42.48)	(34.94)
Investments in Deposits with banks	(89.69)	(65.07)
Investments in Deposits with financial institutions	(165.48)	(23.99)
Withdrawals of Deposits from banks	29.51	92.17
Withdrawals of Deposits from financial institutions	35.51	0.99
Investments in liquid mutual funds	(945.29)	(232.50)
Redemption of liquid mutual funds	394.37	207.56
Interest received	6.79	4.38
b) Net cash (used in) investing activities	(786.65)	(56.41)
Cash flows from financing activities		
Proceeds from exercise of restricted stock units/employee stock options	7.59	2.05
Proceeds from issue of Fresh Equity shares through Private Placement (Net of Issue Expense)	499.81	-
Proceeds from Issue of Share Warrants	337.50	-
Principal payment of lease liabilities	(3.12)	(2.80)
Interest payment of lease liabilities	(1.13)	(1.21)
Interest paid	(0.90)	(0.54)
c) Net cash generated from/(used in) financing activities	839.75	(2.50)
d) Net increase/(decrease) in cash and cash equivalents	88.57	(4.50)
Cash and cash equivalents at the beginning of the period	52.44	66.05
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.15	-
Cash and cash equivalents at the end of the period	141.16	61.55



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Notes

- 1 These financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 (as amended) ['Ind AS'] prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ['Listing Regulations'].
- 2 The Company's operations comprise of only one segment viz, Networking equipment.
- 3 In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.
- 4 During FY 2018-19 and 2019-20, the Company received demand orders for amount of Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT. The Company had in earlier years also received show cause notices amounting to Rs. 3.01 crore for FY 2010-11 to FY 2013-14 on a similar matter. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.
- 5 a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended September 30, 2021, an amount of Rs. 2.09 crore (September 30, 2020: Rs. 1.49 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at September 30, 2021, aggregates to 15,62,155 (September 30, 2020: 13,55,113).
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 September 30, 2021, an amount of Rs. NIL (September 30, 2020: Rs. 0.01 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'.
- 6 The Company has from time to time in the normal course of business entered into factoring agreements on a non-recourse basis with bankers/factoring institution for some of the trade receivables. As at September 30, 2021 the trade receivables do not include receivables amounting to Rs. 23.06 crore (September 30, 2020: Rs. 8.29 crore) which have been derecognized in accordance with Ind AS 109, 'Financial Instruments', pursuant to such factoring arrangements entered in the current quarter.
- 7 As at September 30, 2021, the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 83.77 crore (March 31, 2021: Rs. 91.19 crore) [net of provision of Rs. 28.02 crore (March 31, 2021: Rs. 27.98 crore)] 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 September 30, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.
- 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 continued to impose certain restrictions during the quarter and six months ended September 30, 2021. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and six months ended September 30, 2021. During the quarter ended September 30, 2021, 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, until the demand-supply situation in the semiconductor component industry stabilises. The Company does not have borrowings as at quarter end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at September 30, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic in making this assessment and has concluded that no further adjustments are considered necessary. Assessing the impact 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.



For identification purpose





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9 Issue of Equity shares and Warrants through Preferential allotment

During the quarter ended September 30, 2021, the Company made preferential allotment, based on the approval of the Board of Directors on September 8, 2021 as follows:

- 1,93,79,845 equity shares, having face value of Rs. 10/- each, at a price of Rs. 258 per Equity Share, aggregating to Rs. 500 crore ("Subscription Shares");
- 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 950 crore ("Series A Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants ("Series A Warrants"); and
- 1,55,03,876 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 400 crore ("Series B Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing after the expiry of 12 (twelve) months from the date of allotment of the warrants until expiry of 18 (eighteen) months from the date of allotment of the warrants ("Series B Warrants");

on terms and conditions as determined by the Board in accordance with the SEBI (ICDR) Regulations and other applicable laws, and as set out in the share subscription agreement executed between the Company and the Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

The Company on September 7, 2021 received a total amount aggregating to Rs. 837.50 crore, which includes exercise price on subscription shares amounting to Rs. 500 crore and 25% of the Series A Warrant and Series B Warrant amounting to Rs. 237.50 crore and Rs. 100 crore respectively. The balance 75% of the exercise price of Series A Warrant and Series B Warrant shall be payable at the time of allotment of equity shares pursuant to exercise of rights attached to Series A Warrant and Series B Warrant to subscribe to equity share. The amount paid against Series A Warrant and Series B Warrant shall be adjusted / set-off against the issue price for the resultant equity shares.

In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at Rs. 258/- per equity share. The open offer tendering commenced on October 11, 2021 and is ending on October 26, 2021.

- 10 Other income includes interest on income tax refunds of Rs. 0.93 crore for the quarter ended September 30, 2021 (quarter ended June 30, 2021: Rs. 0.79 crore).
- 11 The Standalone financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013 issued vide notification dated March 24, 2021. Certain assets and liabilities as at March 31, 2021 have been regrouped/reclassified, where necessary, to comply with the amendment.
- 12 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 October 20, 2021.

Place: Bengaluru
Date: October 20, 2021

For and on Behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)



For identification purpose

Price Waterhouse Chartered Accountants LLP

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

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

1. We have reviewed the unaudited consolidated financial results of Tejas Networks Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), (refer Note 1 on the Consolidated Statement) for the quarter and the half year ended September 30, 2021 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2021', 'Consolidated Unaudited statement of assets and liabilities as at September 30, 2021' and 'Consolidated Unaudited statement of cash flows for the six months ended September 30, 2021' (the "Consolidated Statement"). The Consolidated Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.
2. This Consolidated Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
3. We conducted our review of the Consolidated Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
 - (a) Tejas Communication Pte. Limited, Singapore
 - (b) Tejas Communication (Nigeria) Limited



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

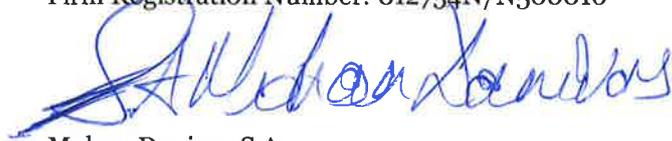
Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to the following:
 - a. Note 9 to the Consolidated Statement regarding overdue trade receivables (due for more than 180 days from the due date for payment) from public sector customers, aggregating to Rs. 83.77 crores (net of provision of Rs. 28.02 crores) as at September 30, 2021. Parent's management believes that the aforesaid receivables are good and fully recoverable and that no additional allowances for credit losses are necessary in respect of these balances as at September 30, 2021.
 - b. Note 10 to the Consolidated Statement which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of these matters.

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



Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 21209136AAAADL4925

Place: Bengaluru
Date: October 20, 2021



Tejas Networks Limited

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

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2021

Particulars	(Rs. in crore except per share data)					
	Quarter ended	Quarter ended	Quarter ended	Six months ended	Six months ended	Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	172.78	144.25	110.06	317.03	190.17	526.60
II Other Income (Refer Note - 12)	4.17	8.38	8.11	12.55	12.45	24.85
III Total income (I + II)	176.95	152.63	118.17	329.58	202.62	551.45
IV EXPENSES						
(a) Cost of materials consumed	92.60	73.81	58.97	166.41	94.15	268.74
(b) Employee benefit expense	32.12	29.60	26.28	61.72	53.15	116.33
(c) Finance costs	0.90	1.26	1.02	2.16	1.96	3.70
(d) Depreciation and amortization expense	18.28	16.39	11.84	34.67	25.62	52.12
(e) Allowance for expected credit loss	5.14	1.16	(0.82)	6.30	3.20	14.80
(f) Other expenses	24.58	22.07	16.35	46.65	29.77	73.24
Total Expenses (IV)	173.62	144.29	113.64	317.91	207.85	528.93
V Profit/(Loss) before tax (III - IV)	3.33	8.34	4.53	11.67	(5.23)	22.52
VI Income tax expense/(benefit)						
(1) Current tax expense/(benefit)	0.19	1.44	-	1.63	-	-
(2) Deferred tax expense/(benefit)	(0.52)	(0.65)	-	(1.17)	-	(15.02)
Total tax expense/(benefit)	(0.33)	0.79	-	0.46	-	(15.02)
VII Profit/(Loss) after tax (V - VI)	3.66	7.55	4.53	11.21	(5.23)	37.54
VIII Other comprehensive income/(loss)						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation	(1.90)	0.05	0.75	(1.85)	0.70	2.21
Income tax relating to above	0.33	(0.01)	-	0.32	-	-
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	0.45	0.01	(0.07)	0.46	(0.07)	(0.19)
Total comprehensive income/(loss) for the period (VII + VIII)	2.54	7.60	5.21	10.14	(4.60)	39.56
IX Earnings/(Loss) per equity share						
Equity shares of par value Rs. 10 each						
(1) Basic	0.37	0.81	0.49	1.17	(0.57)	4.05
(2) Diluted	0.30	0.78	0.49	0.93	(0.57)	3.99



For identification purpose





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Consolidated Unaudited Statement of Assets and Liabilities as at September 30, 2021

Particulars	(Rs. in crore)	
	As at	
	September 30, 2021	March 31, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	30.23	29.48
Right-of-use assets	17.61	16.10
Intangible assets	65.97	65.43
Intangible assets under development	42.06	24.49
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	73.39	72.97
(iii) Other financial assets	6.95	6.91
Current Tax Asset (net)	40.89	62.61
Deferred Tax Assets	58.21	56.72
Other non-current assets	9.78	6.98
Total non-current assets	345.09	341.69
Current assets		
Inventories	226.36	213.65
Financial assets		
(i) Investments	588.91	37.37
(ii) Trade receivables	340.78	341.03
(iii) Cash and cash equivalents	142.31	53.43
(iv) Bank balances other than (iii) above	224.27	164.09
(v) Loans	0.38	0.35
(vi) Other financial assets	241.42	110.30
Other current assets	84.06	49.97
Total current assets	1,848.49	970.19
Total assets	2,193.58	1,311.88
EQUITY AND LIABILITIES		
Equity		
Equity share capital	117.19	96.51
Other equity	1,875.91	1,037.69
Total equity	1,993.10	1,134.20
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	15.99	17.07
Provisions	0.64	0.69
Total non-current liabilities	16.63	17.76
Current liabilities		
Financial liabilities		
(i) Lease Liabilities	7.18	4.83
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	8.09	11.84
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	113.91	80.38
(iii) Other financial liabilities	37.52	47.26
Provisions	8.85	5.22
Other current liabilities	8.30	10.39
Total current liabilities	183.85	159.92
Total liabilities	200.48	177.68
Total equity and liabilities	2,193.58	1,311.88

* Amount below the rounding off norm adopted by the Company



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Consolidated Unaudited statement of Cash Flows for the six months ended on September 30, 2021

Particulars	(Rs. in crore)	
	Six months ended	Six months ended
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
Cash flows from operating activities		
Profit/(Loss) before tax	11.67	(5.23)
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	34.67	25.62
Allowance for expected credit loss (net)	6.30	3.20
Interest Income	(9.44)	(9.58)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	(0.08)	(0.14)
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(0.54)	(1.50)
Finance costs recognized in profit or loss	2.16	1.96
Unrealized Exchange Difference on cash held in foreign currencies	(0.15)	-
Unrealised Exchange Difference (Net)	(0.45)	3.81
Expense recognized in respect of equity-settled share-based payments	3.88	3.23
	48.02	21.37
Movements in working capital:		
(Increase)/decrease in inventories	(12.71)	18.89
(Increase)/decrease in trade receivables	(5.58)	22.48
(Increase)/decrease in loans	(0.03)	0.36
(Increase)/decrease in other financial assets	(0.45)	5.25
(Increase)/decrease in other assets	(33.00)	(3.46)
Increase/(decrease) in trade and other payables	28.82	5.09
Increase/(decrease) in provisions	1.67	0.05
Increase/(decrease) in other financial liabilities	(10.85)	(9.86)
Increase/(decrease) in other liabilities	(2.01)	(2.06)
Cash generated from operations	13.88	58.11
Income taxes refund/(paid)	21.81	(2.61)
a) Net cash generated from operating activities	35.69	55.50
Cash flows from investing activities		
Expenditure on property, plant and equipment	(9.89)	(5.01)
Expenditure on intangible assets (including under development)	(42.48)	(34.94)
Investments in Deposits with banks	(89.69)	(65.07)
Investments in Deposits with financial institutions	(165.48)	(23.99)
Withdrawals of Deposits from banks	29.51	92.17
Withdrawals of Deposits from financial institutions	35.51	0.99
Investments in liquid mutual funds	(945.29)	(232.50)
Redemption of liquid mutual funds	394.37	207.56
Interest received	6.79	4.38
b) Net cash (used in) investing activities	(786.65)	(56.41)
Cash flows from financing activities		
Proceeds from exercise of restricted stock units/employee stock options	7.58	2.05
Proceeds from Issue of Fresh Equity shares through Private Placement (Net of Issue Expenses)	499.81	-
Proceeds from Issue of Share Warrants	337.50	-
Principal payment of lease liabilities	(3.11)	(2.80)
Interest payment of lease liabilities	(1.12)	(1.21)
Interest paid	(0.97)	(0.60)
c) Net cash generated from/(used in) financing activities	839.69	(2.56)
d) Net increase/(decrease) in cash and cash equivalents	88.73	(3.47)
Cash and cash equivalents at the beginning of the period	53.43	66.48
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.15	-
Cash and cash equivalents at the end of the period	142.31	63.01



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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' hereunder):
- 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 September 30, 2021	Quarter ended June 30, 2021	Quarter ended September 30, 2020	Six months ended September 30, 2021	Six months ended September 30, 2020	Year ended March 31, 2021
Revenues from operations	172.53	144.07	109.89	316.60	188.62	524.49
Profit/(Loss) before tax	3.15	8.27	4.51	11.42	(5.37)	22.27
Profit/(Loss) after tax	3.48	7.48	4.51	10.96	(5.37)	37.29

Note: The standalone financial 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, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.
- During FY 2018-19 and 2019-20, the Company received demand orders for amount of Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT. The Company had in earlier years also received show cause notices amounting to Rs. 3.01 crore for FY 2010-11 to FY 2013-14 on a similar matter. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.
- 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 September 30, 2021, an amount of Rs. 2.09 crore (September 30, 2020: Rs. 1.49 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at September 30, 2021, aggregates to 15,62,155 (September 30, 2020: 13,55,113).
 - 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 September 30, 2021, an amount of Rs. NIL (September 30, 2020: Rs. 0.01 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'.
- The Company has from time to time in the normal course of business entered into factoring agreements on a non-recourse basis with bankers/factoring institution for some of the trade receivables. As at September 30, 2021 the trade receivables do not include receivables amounting to Rs. 23.06 crore (September 30, 2020: Rs. 8.29 crore) which have been derecognized in accordance with Ind AS 109, 'Financial Instruments', pursuant to such factoring arrangements entered in the current quarter.
- As at September 30, 2021, the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 83.77 crore (March 31, 2021: Rs. 91.19 crore) [net of provision of Rs. 28.02 crore (March 31, 2021: Rs. 27.98 crore)] 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 September 30, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.
- 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 continued to impose certain restrictions during the quarter and six months ended September 30, 2021. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and six months ended September 30, 2021. During the quarter ended September 30, 2021, 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, until the demand-supply situation in the semiconductor component industry stabilises. The Company does not have borrowings as at quarter end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at September 30, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic in making this assessment and has concluded that no further adjustments are considered necessary. Assessing the impact 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.



For identification purpose



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11 Issue of Equity shares and Warrants through Preferential allotment

During the quarter ended September 30, 2021, the Company made preferential allotment, based on the approval of the Board of Directors on September 8, 2021 as follows:

- 1,93,79,845 equity shares, having face value of Rs. 10/- each, at a price of Rs. 258 per Equity Share, aggregating to Rs. 500 crore ("Subscription Shares");
- 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 950 crore ("Series A Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants ("Series A Warrants"); and
- 1,55,03,876 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 400 crore ("Series B Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing after the expiry of 12 (twelve) months from the date of allotment of the warrants until expiry of 18 (eighteen) months from the date of allotment of the warrants ("Series B Warrants");

on terms and conditions as determined by the Board in accordance with the SEBI (ICDR) Regulations and other applicable laws, and as set out in the share subscription agreement executed between the Company and the Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

The Company on September 7, 2021 received a total amount aggregating to Rs. 837.50 crore, which includes exercise price on subscription shares amounting to Rs. 500 crore and 25% of the Series A Warrant and Series B Warrant amounting to Rs. 237.50 crore and Rs. 100 crore respectively. The balance 75% of the exercise price of Series A Warrant and Series B Warrant shall be payable at the time of allotment of equity shares pursuant to exercise of rights attached to Series A Warrant and Series B Warrant to subscribe to equity share. The amount paid against Series A Warrant and Series B Warrant shall be adjusted / set-off against the issue price for the resultant equity shares.

In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at Rs. 258/- per equity share. The open offer tendering commenced on October 11, 2021 and is ending on October 26, 2021.

- 12 Other income includes interest on income tax refunds of Rs. 0.93 crore for the quarter ended September 30, 2021 (quarter ended June 30, 2021: Rs. 0.79 crore).
- 13 The Standalone financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013 issued vide notification dated March 24, 2021. Certain assets and liabilities as at March 31, 2021 have been regrouped/reclassified, where necessary, to comply with the amendment.
- 14 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 October 20, 2021.

For and on behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)

Place: Bengaluru
Date: October 20, 2021



For identification purpose





Press Release

Tejas Networks announces consolidated results for quarter ended September 30, 2021
Q2 revenue was Rs. 172.8 crore and Net profit was Rs. 3.7 crore

Bengaluru, October 20, 2021: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the second quarter ended September 30, 2021. Tejas Networks designs, develops, manufactures and sells high-performance telecom and networking products, which are used to build high-speed communication networks.

For Q2-FY22, consolidated net revenue was Rs. 172.8 crore, which was a YoY increase of 61.8%, resulting in a profit before tax of Rs. 3.3 crore as compared to Rs. 4.5 crore, for corresponding previous period. Profit after tax was Rs. 3.7 crore as compared to Rs. 4.5 crore for corresponding previous period.

For the half year ended September 30, 2021, net revenue was Rs. 317 crore, which was a YoY increase of 72.1%, resulting in a profit after tax of Rs. 11.2 crore, as compared to a loss of Rs. 5.2 crore for corresponding previous period.

During the quarter, Tejas Networks received a strategic investment of Rs. 837.5 crore towards preferential allotment of shares and warrants, from Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We continue to see positive growth momentum in our business. With strong bookings of Rs. 258 crore during the quarter, our order book increased to Rs. 783 crores. However, during the quarter our revenues as well as margins were adversely impacted because of the ongoing global semiconductor component shortage, due to which we are facing challenges in the form of longer lead times and increase in our component costs. Government of India has launched various supportive policies for promoting "designed and made in India" telecom products and we are pleased that our application for the Performance Linked Incentive (PLI) scheme has been approved."

Mr. Venkatesh Gadiyar, CFO said, "During the quarter, we improved our collections and reduced our DSO as well as working capital, despite continuing to proactively invest in inventory to secure long-lead time components. As on September 30, 2021 our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, increased to Rs. 1,195 crores and we continue to be a debt-free Company. With our healthy cash reserves, we are in a strong position to invest for our business growth".

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About Tejas Networks Limited

Tejas Networks designs, develops and sells high-performance telecom and 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.

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.

of



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

(in Rs. crore)

	September 30, 2021	March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	30.23	29.48
Right-of-use assets	17.61	16.10
Intangible assets	65.97	65.43
Intangible assets under development	42.06	24.49
Financial assets		
Trade receivables	73.39	72.97
Other financial assets ¹	6.95	6.91
Current tax asset (net)	40.89	62.61
Deferred Tax Asset	58.21	56.72
Other non-current assets	9.78	6.98
Total non - current assets	345.09	341.69
Current assets		
Inventories	226.36	213.65
Financial assets		
Investments ²	588.91	37.37
Trade receivables	340.78	341.03
Cash and cash equivalents ³	142.31	53.43
Other bank balances ⁴	224.27	164.09
Loans	0.38	0.35
Other financial assets ⁵	241.42	110.30
Other current assets	84.06	49.97
Total current assets	1,848.49	970.19
Total assets	2,193.58	1,311.88
EQUITY AND LIABILITIES		
Equity		
Equity share capital	117.19	96.51
Other equity	1,875.91	1,037.69
Total equity	1,993.10	1,134.20
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	15.99	17.07
Provisions	0.64	0.69
Total non - current liabilities	16.63	17.76
Current liabilities		
Financial liabilities		
Lease Liabilities	7.18	4.83
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	8.09	11.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	113.91	80.38
Other financial liabilities	37.52	47.26
Provisions	8.85	5.22
Other current liabilities	8.30	10.39
Total current liabilities	183.85	159.92
Total equity and liabilities	2,193.58	1,311.88

Supplementary Information

(in Rs. crore)

	September 30, 2021	March 31, 2021
Cash and Cash Equivalents as at		
¹ Other non current financial asset includes Fixed Deposits with banks with original maturity of more than twelve months	1.54	1.54
² Investments includes Investment in mutual funds	588.91	37.37
³ Cash and cash equivalents	142.31	53.43
⁴ Other bank balances	224.27	164.09
⁵ Other current financial asset includes Deposits with financial institutions	237.97	108.00
Total	1,195.00	364.43

09



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended Sep 30, 2021	Quarter ended Jun 30, 2021	Quarter ended Sep 30, 2020	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year ended Mar 31, 2021
Revenue from operations	172.78	144.25	110.06	317.03	190.17	526.60
Other Income	4.17	8.38	8.11	12.55	12.45	24.85
Total Income	176.95	152.63	118.17	329.58	202.62	551.45
Expenses						
Cost of materials consumed	92.60	73.81	58.97	166.41	94.15	268.74
Employee benefit expense	32.12	29.60	26.28	61.72	53.15	116.33
Finance costs	0.90	1.26	1.02	2.16	1.96	3.70
Depreciation and amortization expense	18.28	16.39	11.84	34.67	25.62	52.12
Allowance for expected credit loss	5.14	1.16	(0.82)	6.30	3.20	14.80
Other expenses	24.58	22.07	16.35	46.65	29.77	73.24
Total Expenses	173.62	144.29	113.64	317.91	207.85	528.93
Profit/(Loss) before tax	3.33	8.34	4.53	11.67	(5.23)	22.52
Current tax	0.19	1.44	-	1.63	-	-
Deferred tax	(0.52)	(0.65)	-	(1.17)	-	(15.02)
Profit/(Loss) after tax	3.66	7.55	4.53	11.21	(5.23)	37.54
Other comprehensive income/(loss)	(1.12)	0.05	0.68	(1.07)	0.63	2.02
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation (Net of tax)	(1.57)	0.04	0.75	(1.53)	0.70	2.21
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	0.45	0.01	(0.07)	0.46	(0.07)	(0.19)
Total comprehensive income/(loss) for the period	2.54	7.60	5.21	10.14	(4.60)	39.56
Earnings/(Loss) per equity share of Rs. 10 each						
Basic (Rs.)	0.37	0.81	0.49	1.17	(0.57)	4.05
Diluted (Rs.)	0.30	0.78	0.49	0.93	(0.57)	3.99
Weighted average equity shares used in computing earnings per equity share						
Basic	9,83,79,317	9,33,45,059	9,23,60,935	9,58,75,943	9,23,10,677	9,25,53,796
Diluted	12,37,33,801	9,67,87,743	9,26,64,459	12,08,71,766	9,23,10,677	9,41,28,273

Supplementary Information

(in Rs. crore)

Particulars	Quarter ended Sep 30, 2021	Quarter ended Jun 30, 2021	Quarter ended Sep 30, 2020	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year ended Mar 31, 2021
Revenue from operations	172.78	144.25	110.06	317.03	190.17	526.60
Less: Sale of Components	-	-	3.27	-	6.01	11.78
Revenue (net of component sales)	172.78	144.25	106.79	317.03	184.16	514.82
Year on Year Growth	61.8%			72.1%		

97



Tejas Networks Limited

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

Corporate Identity Number: L72900KA2000PLC026980

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

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

Extract of Consolidated Unaudited Results for quarter ended and six months ended September 30, 2021

Sl. No.	Particulars	(Rs. in crore except per share data)		
		Quarter ended September 30, 2021	Six months ended September 30, 2021	Quarter ended September 30, 2020
1	Total Income from operations*	172.78	317.03	110.06
2	Net Profit/(Loss) before tax	3.33	11.67	4.53
3	Net Profit/(Loss) after tax	3.66	11.21	4.53
4	Total Comprehensive Income/(Loss) for the period (Comprising Profit/(Loss) for the period after tax and Other Comprehensive Income/(Loss) after tax)	2.54	10.14	5.21
5	Equity Share Capital (Face value of Rs. 10/- each)	117.19	117.19	95.82
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	-	-
7	Earnings/(Loss) per Share (of Rs. 10/- each)			
	(i) Basic Rs.	0.37	1.17	0.49
	(ii) Diluted Rs.	0.30	0.93	0.49

Notes

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

Particulars	Quarter ended	Six months ended	Quarter ended
	September 30, 2021	September 30, 2021	September 30, 2020
Total Income from operations*	172.53	316.60	109.89
Net Profit/(Loss) before tax	3.15	11.42	4.51
Net Profit/(Loss) after tax	3.48	10.96	4.51

- 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 During the quarter, Tejas Networks received a strategic investment of Rs. 837.5 crore towards preferential allotment of shares and warrants, from Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).
- 4 In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20 and 2020-21 certain other agencies sent notices as part of their preliminary inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The Company is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.
- 5 During FY 2018-19 and 2019-20, the Company received demand orders for amount of Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT. The Company had in earlier years also received show cause notices amounting to Rs. 3.01 crore for FY 2010-11 to FY 2013-14 on a similar matter. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.
- 6 As at September 30, 2021, the Company has overdue trade receivables (i.e. due for more than 180 days from the due date for payment), aggregating to Rs. 83.77 crore (March 31, 2021: Rs. 91.19 crore) [net of provision of Rs. 28.02 crore (March 31, 2021: Rs. 27.98 crore)] 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 September 30, 2021 are fully recoverable and hence no additional allowances for credit losses are considered necessary.

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

During the quarter ended September 30, 2021, 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, until the demand-supply situation in the semiconductor component industry stabilises.

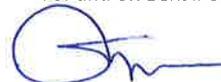
The Company does not have borrowings as at quarter end and in the view of the management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year. As at September 30, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, Inventories and Financial assets. Management has taken into account all possible impact of known events arising from COVID-19 pandemic in making this assessment and has concluded that no further adjustments are considered necessary. Assessing the impact 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: October 20, 2021

For and on behalf of the Board of Directors



Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)