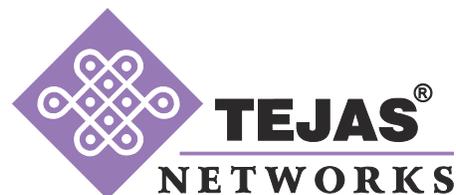


Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City Phase 1
Hosur Road, Bengaluru 560 100, India
Tel : +91- 80- 4179 4600/700/800
Fax: +91- 80- 2852 0201



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

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

April 21, 2020

Dear Sir/Madam,

Re: Outcome of Board Meeting

This is with reference to our letter dated April 14, 2020 informing about the Board Meeting scheduled on April 21, 2020.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Tuesday, April 21, 2020 at Bangalore has *inter alia* considered and approved the following:

Financial Results

1. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Audited financial results (standalone and consolidated) as per IND-AS for the quarter and year ended March 31, 2020 together with the Audit report of the Statutory Auditors is enclosed as **Annexure - A**.

In this context, please note that M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), Statutory Auditors of the Company has issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone and Consolidated) for the year ended March 31, 2020.

Director

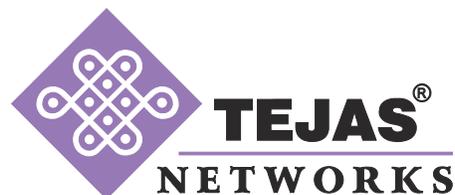
2. The re-appointment of Dr. Gururaj Deshpande (DIN: 01979383), who is liable to retire by rotation at the ensuing AGM as Non-executive and Non-Independent Director of the Company.
3. The continuation of directorship of Amb. Leela K Ponappa (DIN: 07433990) as Independent Director in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the current tenure of her Independent Directorship which ends on February 15, 2023 notwithstanding that she will attain the age of 75 years on June 26, 2021.

Annual General Meeting and Book Closure

4. The 20th Annual General Meeting of the Members of the Company will be held on Tuesday, July 28, 2020 at 3.00 P.M. at Bengaluru.

Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City Phase 1
Hosur Road, Bengaluru 560 100, India
Tel : +91- 80- 4179 4600/700/800
Fax: +91- 80- 2852 0201



5. Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 22nd July, 2020 to 28th July, 2020 (both days inclusive) for Annual General Meeting.

Other matters

6. Allotment of 13,324 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 Plan/ 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 Audited financial results under IND-AS (Standalone and Consolidated) for the quarter and year ended March 31, 2020 being published in the newspapers as **Annexure - C**.
- c) Brief Profile of Dr. Gururaj Deshpande (DIN: 01979383), liable to retire by rotation at the ensuing AGM, who is proposed to be re-appointed, subject to the approval of the Shareholders, as Non-executive and Non-Independent Director of the Company as **Annexure - D**.
- d) Brief profile of Amb. Leela K Ponappa (DIN: 07433990), who is seeking the continuation of Independent Directorship in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure - E**.

Please note that the Conference Call details to discuss the Company's performance on Tuesday, April 21, 2020 at 7.00 P.M (IST) has already been intimated to Stock Exchanges vide our letter dated April 16, 2020.

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 and acknowledge.

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 AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the consolidated annual financial results of Tejas Networks Limited (hereinafter referred to as the 'Holding Company') and its subsidiary/ step down subsidiary (Holding Company and its subsidiary/ step down subsidiary together referred to as "the Group") (Refer note 1 to the consolidated financial results) for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date (together referred to as the "consolidated financial results"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results:
 - (i) include the annual financial information of the following entities (Tejas Communications Pte. Ltd, Singapore and Tejas Communications (Nigeria) Limited) (Also refer note 1 to the consolidated financial results)
 - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

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



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 - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-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)

Emphasis of Matter

4. We draw your attention to Note 13 to the consolidated financial results which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

Board of Directors' Responsibilities for the Consolidated Financial Results

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

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.



9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 14 below).
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



Other Matters

12. The consolidated financial results include the unaudited financial information of one subsidiary and one step down subsidiary, whose financial information reflect total assets of Rs. 25.71 crores and net assets of Rs. 14.90 crores as at March 31, 2020, total revenue of Rs. 19.56 crores, total comprehensive loss of Rs. 0.52 crores, and cash outflows (net) of Rs. 0.06 crores for the year ended March 31, 2020, as considered in the consolidated financial results. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary/ step down subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, such financial information are not material to the Group.
13. The consolidated financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.
14. The consolidated financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited consolidated financial statements of the group for the year ended March 31, 2020 on which we have issued an unmodified audit opinion vide our report dated April 21, 2020.

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



Pradip Kanakia
Partner

Membership Number: 039985
UDIN: 20039985AAAAABS4770

Place: Bengaluru
Date: April 21, 2020



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

Statement of Consolidated Financial Results for the quarter and year ended March 31, 2020

(Rs. in crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Refer Note 14	Unaudited	Refer Note 14	Audited	Audited
I Revenue from operations	54.57	86.66	273.13	390.54	900.32
II Other Income	13.52	6.19	6.87	33.65	36.69
III Total income (I + II)	68.09	92.85	280.00	424.19	937.01
IV EXPENSES					
(a) Cost of materials consumed	31.56	42.98	145.59	203.58	463.70
(b) Employee benefit expense	35.66	25.83	33.69	110.52	123.66
(c) Finance costs	1.07	0.70	5.07	7.72	17.00
(d) Depreciation and amortization expense	20.89	20.33	17.45	77.05	65.88
(e) Impairment of non-current assets (Refer Note -10)	69.87	-	-	69.87	-
(f) Allowance for expected credit loss (net) (Refer Note - 12)	17.41	(1.12)	2.56	20.03	5.24
(g) Other expenses	18.16	18.91	38.56	73.99	111.51
Total Expenses (IV)	194.62	107.63	242.92	562.76	786.99
V Profit/(Loss) before tax (III - IV)	(126.53)	(14.78)	37.08	(138.57)	150.02
VI Income tax expense					
(1) Current tax	-	(0.66)	3.04	-	19.63
(2) Deferred tax expense/(benefit) (Refer Note - 11)	-	97.94	(1.85)	98.55	(16.85)
Total tax expense	-	97.28	1.19	98.55	2.78
VII Profit/(Loss) after tax (V - VI)	(126.53)	(112.06)	35.89	(237.12)	147.24
VIII Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	(1.29)	0.03	(1.61)	(1.07)	(2.20)
Income tax relating to above	-	-	0.35	-	0.48
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	0.24	0.04	(0.07)	0.64	0.77
Total comprehensive income/(loss) for the period (VII + VIII)	(127.58)	(111.99)	34.56	(237.55)	146.29
IX Earnings/(Loss) per equity share					
Equity shares of par value Rs. 10 each					
(1) Basic	(13.73)	(12.16)	3.92	(25.76)	16.13
(2) Diluted	(13.73)	(12.16)	3.79	(25.76)	15.39





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

Statement of Assets and Liabilities as at March 31, 2020

(Rs. in crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	30.55	30.68
Right-of-use assets	21.29	-
Intangible assets	26.81	68.44
Intangible assets under development	26.99	41.38
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	80.28	42.81
(iii) Loans	5.61	4.38
(iv) Other financial assets	1.11	0.12
Income Tax Asset (net)	47.80	36.92
Deferred Tax Assets	41.70	138.00
Other non-current assets	6.97	0.14
Total non-current assets	289.11	362.87
Current assets		
Inventories	251.99	181.39
Financial assets		
(i) Investments	50.97	86.55
(ii) Trade receivables	375.63	622.12
(iii) Cash and cash equivalents	66.48	16.90
(iv) Bank balances other than (iii) above	76.71	106.15
(v) Loans	1.17	0.95
(vi) Other financial assets	91.59	180.44
Other current assets	37.50	27.91
Total current assets	952.04	1,222.41
Total assets	1,241.15	1,585.28
EQUITY AND LIABILITIES		
Equity		
Equity share capital	95.48	94.99
Other equity	985.46	1,225.25
Total equity	1,080.94	1,320.24
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Lease Liabilities	21.91	-
Provisions	0.59	1.75
Total non-current liabilities	22.50	1.75
Current liabilities		
Financial liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	10.96	26.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	63.81	136.70
(ii) Lease Liabilities	5.97	-
(iii) Other financial liabilities	42.27	81.72
Provisions	7.44	8.14
Other current liabilities	7.26	9.90
Total current liabilities	137.71	263.29
Total liabilities	160.21	265.04
Total equity and liabilities	1,241.15	1,585.28

* Amount below the rounding off norm adopted by the Company





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

Consolidated statement of Cash Flows for the year ended March 31, 2020

Particulars	(Rs. in crore)	
	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Profit before tax for the year	(138.57)	150.02
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	77.05	65.88
Impairment of product development	32.77	-
Impairment of Intangible assets under development	37.10	-
Allowance for expected credit loss (net)	20.01	4.67
Bad Debts written off	0.07	0.57
Focus Product Scheme receivable written off	-	4.45
Provision for Focus Product Scheme receivable released	-	(1.28)
Provision for doubtful advances	-	0.09
Interest Income	(11.94)	(27.74)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	0.10	(0.32)
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(4.08)	(4.15)
Finance costs recognized in profit or loss	7.72	17.00
Unrealised Exchange Difference (Net)	(6.38)	2.08
Loss/ (profit) on sale of property, plant and equipment	(0.02)	0.03
Expense recognized in respect of equity-settled share-based payments	11.20	15.10
	25.03	226.40
Movements in working capital:		
(Increase)/decrease in inventories	(70.60)	9.50
(Increase)/decrease in trade receivables	195.85	(359.47)
(Increase)/decrease in loans	(1.34)	0.65
(Increase)/decrease in other financial assets	4.67	(8.36)
(Increase)/decrease in other assets	(16.57)	(6.65)
Increase/(decrease) in trade and other payables	(88.88)	57.09
Increase/(decrease) in provisions	(3.37)	(0.34)
Increase/(decrease) in other financial liabilities	(30.98)	24.09
Increase/(decrease) in other liabilities	(2.33)	(0.45)
Cash generated from operations	11.48	(57.54)
Income taxes paid	(10.87)	(24.05)
a) Net cash generated from/(used in) operating activities	0.61	(81.59)
Cash flows from investing activities		
Expenditure on property, plant and equipment	(20.63)	(8.82)
Expenditure on intangible assets (including under development)	(72.14)	(71.50)
Sale proceeds of property, plant and equipment	0.03	0.07
Investments in Deposits with banks and financial institutions not considered as cash and cash equivalents	(255.17)	(636.41)
Withdrawals of Deposits with banks and financial institutions not considered as cash and cash equivalents	358.63	596.94
Investments in liquid mutual funds and fixed maturity plan securities	(727.05)	(776.34)
Redemption of liquid mutual funds and fixed maturity plan securities	766.61	770.78
Interest received	21.00	20.89
b) Net cash generated from/(used in) investing activities	71.28	(104.39)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	2.82	6.77
Dividend paid (including Tax on dividend)	(11.08)	-
Repayment of borrowings	(1.19)	(1.08)
Principal payment of lease liabilities	(5.58)	-
Interest payment of lease liabilities	(2.78)	-
Interest paid	(4.50)	(17.00)
c) Net cash generated from/(used in) financing activities	(22.31)	(11.31)
d) Net increase/(decrease) in cash and cash equivalents	49.58	(197.29)
Cash and cash equivalents at the beginning of the period	16.90	214.19
Cash and cash equivalents at the end of the period	66.48	16.90





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

Notes

- The Statement of consolidated financial results includes the results of Tejas Networks Limited ('the Company' or 'the Holding Company') and the following subsidiaries/ step down subsidiary (collectively referred as 'the Group' hereunder):
 - Tejas Communication Pte. Limited, Singapore
 - Tejas Communication (Nigeria) Limited
 - vSave Energy Private Limited (upto July 28, 2018) and
 - Tejas Israel Limited (upto November 25, 2018)

- 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	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Revenues from operations	54.56	85.32	271.91	386.20	894.03
Profit/(Loss) before tax	(126.74)	(14.61)	37.05	(137.61)	149.47
Profit/(Loss) after tax	(126.74)	(111.89)	35.86	(236.16)	146.69

(Rs. in crore)

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

- In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income Tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act. The Company and its officials fully co-operated with the Department. During the previous year, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during the year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. The Company is of the view that the outcome of these summons/notices will not have any material impact on the Company's financial results.

During the year, the Company has received notices of demand from the Department for additional tax payable amounting to Rs. 25.62 crores for AY 2017-18 (after adjusting the brought forward losses) under Section 156 of the IT Act after making additions of various items to income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department has also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company has also received a demand order for AY 2018-19 for additional tax payable amounting to Rs. 0.48 crore. The Company believes that there are several computational errors in the aforesaid demand orders and therefore the Company has filed an application for rectification of errors in the aforesaid notices, including non-consideration of brought forward losses in AY 2012-13 assessment, u/s 154 of the IT Act. The Company has also challenged the orders passed by the Assessing Officer (AO) and filed an appeal with the Commissioner of Income Tax (Appeals) for the aforesaid assessment years. The Company is of the view that the outcome of these proceedings/ summons/ demands will not have any material impact on the Company's financial results.

- On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during financial years from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the year 2010-11 with associated demand of Rs. 11.87 crores and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of Rs. 24.88 crores i.e. a total demand of Rs 36.75 crores. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT.

According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties.

The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to Rs. 42.92 crores (which includes the demand of Rs 36.75 crores by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to Rs. 0.90 crore. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to Rs 43.82 crores.

The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing.

The Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of financial years 2010-11 to 2013-14 on a similar matter amounting to Rs. 3.01 crores which are not part of the orders discussed above and for which the company had provided its response. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.

- The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended March 31, 2020, an amount of Rs. 0.91 crore (March 31, 2019: Rs. 2.99 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at March 31, 2020, aggregates to 16,84,501 (March 31, 2019: 10,20,923).

- The Company has, at various grant dates in the earlier years issued stock options under different Employee Stock Option Plans to its employees at different exercise prices. For the quarter ended March 31, 2020, an amount of Rs. 0.08 crore (March 31, 2019: Rs. 0.30 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'.

- The Company and its overseas subsidiary has filed a claim against a vendor for recovery of outstanding amount (net), which comprises amount payable by the Company and amount receivable by the Company's overseas subsidiary. The Company has also received a counter claim from the said vendor. Based on management assessment, the counter claim is not tenable as it is not backed by reliable supporting documentation. There has been no business with this vendor for more than 3 years. The matter is sub-judice and is under mediation. The Company believes that the outcome of this litigation will have no material impact on this statement of financial results.

- Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'. Therefore, the comparative information for the prior periods have not been restated. On transition, the Company has recorded the lease liabilities at the present value of future lease payments discounted using the incremental borrowing rate. The adoption of Ind AS 116 has resulted in recognition of Right-of-use assets of Rs. 22.65 crore and lease liabilities of Rs. 29.09 crore on the transition date and from such date the nature of expense for leasing arrangements has changed from lease rent in previous periods to depreciation on the Right-of-use assets and finance cost on the corresponding lease liabilities. Cumulative effect of adoption of Ind AS 116 has been recognised by debiting retained earnings by Rs. 4.69 crore (net of deferred tax impact) as at the transition date. The adoption of Ind AS 116 did not have a material impact on the results for the quarter ended March 31, 2020.





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

- 10 The Company has recognised an impairment loss of Rs. 69.87 on identified product development and intangible assets under development. During the year, the Company has discontinued further development on certain intangible assets under development and consequently the entire development expenditure of Rs. 37.10 related to such intangible assets under development has been impaired. Further, in respect of certain identified product development, having a written down value of Rs. 32.77, management does not foresee any future economic benefits based on the likely demand for such products from the customers. Therefore, the related product development costs have been fully impaired as at March 31, 2020.
- 11 The Company had recognised deferred tax assets on losses comprising unabsorbed depreciation and unutilised expenditure on scientific research carried forward from previous years. As part of the ongoing review of the deferred tax assets, during the year, the carrying amount of the deferred tax assets has been reduced by Rs. 98.55 crores.
- 12 Expected credit losses represents allowance for life-time expected losses on the carrying value of trade receivables, which has been recognised in accordance with the simplified approach as permitted by Ind AS 109, Financial Instruments.
- 13 **Impact of COVID-19 Pandemic**
- The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.
- The Company is in the business of providing optical and data transmission equipment to telecom service providers. Since telecom networks have been identified as an essential service, the Company is in a position to provide continual customer and technical support to its customers in India and worldwide, so that their network uptime remains high. With more people working remotely and many services being accessed from home, there has been a significant increase in data traffic in telecom networks, which is expected to drive demand for higher bandwidth and more optical and data transmission equipment. Telecom operators are expected to invest more in upgrading their network capacities, especially to address home broadband needs. The Company's products address the broadband equipment requirements of telecom operators and also are used for augmenting the data capacity of their networks.
- However, uncertainty caused by the current situation has resulted in delays in confirmation of customer orders and in executing the orders in hand and an increase in lead times in sourcing components. This situation is likely to continue for the next two quarters based on current assessment.
- The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory, and Investments as at the balance sheet date, and has concluded that there are no material adjustments required in the stand-alone financial results. In the case of Inventory, Management has performed the year-end 'wall to wall' inventory verification at each of its locations and again at a date subsequent to the year end in the presence of its internal auditor (an external firm of Chartered Accountants) to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.
- Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the stand-alone financial results. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.
- 14 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subjected to review by the statutory auditors.
- 15 As per the Company's dividend policy, the Board may recommend to distribute dividend upto 25 % of the free cash flow of the corresponding Financial Year, out of retained earnings, after taking into account the relevant provisions of the Companies Act. For the year ended March 31 2020, since the Company has incurred a loss, the Board has not recommended any dividend.
- 16 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 17 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 meetings held on April 20 and April 21, 2020 respectively.

Place: Bengaluru
Date: April 21, 2020



For and on behalf of the Board of Directors

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tejas Networks Limited

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the standalone annual financial results of Tejas Networks Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date (together referred to as the "standalone financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note 13 to the standalone financial results which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.



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 - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

Board of Directors' Responsibilities for the Standalone Financial Results

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

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

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Réfer paragraph 12 below)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. The standalone financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
12. The standalone financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated April 21, 2020.

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



Pradip Kanakia
Partner
Membership Number: 039985
UDIN: 20039985AAAABR4381

Place: Bengaluru
Date: April 21, 2020



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

Statement of Standalone Financial Results for the quarter and year ended March 31, 2020

(Rs. in crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Refer Note 14	Unaudited	Refer Note 14	Audited	Audited
I Revenue from operations	54.56	85.32	271.91	386.20	894.03
II Other Income	13.59	6.18	6.97	33.71	36.64
III Total income (I + II)	68.15	91.50	278.88	419.91	930.67
IV EXPENSES					
(a) Cost of materials consumed	31.56	42.98	145.50	203.58	463.70
(b) Employee benefit expense	33.15	23.79	32.08	103.22	117.60
(c) Finance costs	1.03	0.66	5.03	7.57	16.88
(d) Depreciation and amortization expense	20.89	20.33	17.45	77.05	65.88
(e) Impairment of non-current assets (Refer Note -10)	69.87	-	-	69.87	-
(f) Allowance for expected credit loss (net) (Refer Note - 12)	17.34	(1.12)	2.49	18.81	5.17
(g) Other expenses	21.05	19.47	39.28	77.42	111.97
Total expenses (IV)	194.89	106.11	241.83	557.52	781.20
V Profit/(Loss) before tax (III - IV)	(126.74)	(14.61)	37.05	(137.61)	149.47
VI Income tax expense					
(1) Current tax	-	(0.66)	3.04	-	19.63
(2) Deferred tax expense/(benefit) (Refer Note - 11)	-	97.94	(1.85)	98.55	(16.85)
Total tax expense	-	97.28	1.19	98.55	2.78
VII Profit/(Loss) after tax (V - VI)	(126.74)	(111.89)	35.86	(236.16)	146.69
VIII Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	(1.29)	0.03	(1.61)	(1.07)	(2.20)
Income tax relating to above	-	-	0.35	-	0.48
Total comprehensive income/(loss) for the period (VII + VIII)	(128.03)	(111.86)	34.60	(237.23)	144.97
X Earnings/(Loss) per equity share					
Equity shares of par value Rs. 10 each					
(1) Basic	(13.75)	(12.15)	3.91	(25.66)	16.07
(2) Diluted	(13.75)	(12.15)	3.78	(25.66)	15.33





Tejas Networks Limited

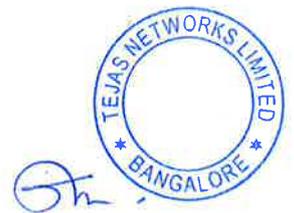
Registered and Corporate Office: J.P. Software Park, Plot No. 25, Sy. No. 13, 14, 17 and 18,
Konnappa Agrahara Village, Begur Hobli, Bengaluru 560 100, Karnataka, India.
Corporate Identity Number: L72900KA2000PLC026980
Tel: +91 80 4179 4600; Fax: +91 80 2852 0201
E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

Statement of Assets and Liabilities as at March 31, 2020

(Rs. in crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	30.55	30.68
Right-of-use assets	21.29	-
Intangible assets	26.81	68.44
Intangible assets under development	26.99	41.38
Investments in subsidiaries	10.87	10.87
Financial assets		
(i) Investments*	0.00	0.00
(ii) Trade receivables	80.28	42.81
(iii) Loans	5.58	4.35
(iv) Other financial assets	1.11	0.12
Income Tax Asset (net)	47.80	36.93
Deferred Tax Assets	41.70	138.00
Other non-current assets	6.97	0.14
Total non-current assets	299.95	373.72
Current assets		
Inventories	251.99	181.39
Financial assets		
(i) Investments	50.97	86.55
(ii) Trade receivables	364.24	607.39
(iii) Cash and cash equivalents	66.05	16.41
(iv) Bank balances other than (iii) above	76.71	106.15
(v) Loans	1.07	0.79
(vi) Other financial assets	91.40	180.44
Other current assets	37.46	27.48
Total current assets	939.89	1,206.60
Total assets	1,239.84	1,580.32
EQUITY AND LIABILITIES		
Equity		
Equity share capital	95.48	94.99
Other equity	984.28	1,223.75
Total equity	1,079.76	1,318.74
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Lease Liabilities	21.91	-
Provisions	0.59	1.75
Total non-current liabilities	22.50	1.75
Current liabilities		
Financial liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	10.96	26.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	66.96	137.03
(ii) Lease Liabilities	5.97	-
(iii) Other financial liabilities	39.59	78.41
Provisions	7.08	8.14
Other current liabilities	7.02	9.42
Total current liabilities	137.58	259.83
Total liabilities	160.08	261.58
Total equity and liabilities	1,239.84	1,580.32

* Amount below the rounding off norm adopted by the Company





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: L72900KA2000PLC026980
Tel: +91 80 4179 4600; Fax: +91 80 2852 0201
E-mail: corporate@tejasnetworks.com; Website: www.tejasnetworks.com

Standalone statement of Cash Flows for the year ended March 31, 2020

Particulars	(Rs. in crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Profit before tax for the year	(137.61)	149.47
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization expense	77.05	65.88
Impairment of product development	32.77	-
Impairment of Intangible assets under development	37.10	-
Allowance for expected credit loss (net)	18.79	4.60
Bad Debts written off	0.07	0.57
Focus Product Scheme receivable written off	-	4.45
Provision for Focus Product Scheme receivable released	-	(1.28)
Provision for doubtful advances	-	0.09
Investment in subsidiaries written off	-	54.33
Provision for investment in subsidiaries released	-	(54.33)
Interest Income	(11.94)	(27.74)
(Gain)/Loss on current investment carried at fair value through statement of profit and loss	0.10	(0.32)
(Gain)/Loss on sale of current investment carried at fair value through statement of profit and loss	(4.08)	(4.15)
Finance costs recognized in profit or loss	7.57	16.88
Unrealised Exchange Difference (Net)	(7.26)	0.66
Loss/ (profit) on sale of property, plant and equipment	(0.02)	0.03
Expense recognized in respect of equity-settled share-based payments	11.20	15.10
	23.74	224.24
Movements in working capital:		
(Increase)/decrease in inventories	(70.60)	9.50
(Increase)/decrease in trade receivables	194.15	(360.25)
(Increase)/decrease in loans	(1.39)	0.76
(Increase)/decrease in other financial assets	4.86	(8.36)
(Increase)/decrease in other assets	(16.79)	(6.59)
Increase/(decrease) in trade and other payables	(86.02)	57.31
Increase/(decrease) in provisions	(3.73)	(0.34)
Increase/(decrease) in other financial liabilities	(30.43)	26.55
Increase/(decrease) in other liabilities	(2.40)	(0.26)
Cash generated from operations	11.39	(57.44)
Income taxes paid	(10.87)	(24.05)
a) Net cash generated from/(used in) operating activities	0.52	(81.49)
Cash flows from investing activities		
Expenditure on property, plant and equipment	(20.63)	(8.82)
Expenditure on intangible assets (including under development)	(72.14)	(71.50)
Sale proceeds of property, plant and equipment	0.03	0.07
Investments in Deposits with banks and financial institutions not considered as cash and cash equivalents	(255.17)	(636.41)
Withdrawals of Deposits with banks and financial institutions not considered as cash and cash equivalents	358.63	596.94
Investments in liquid mutual funds and fixed maturity plan securities	(727.05)	(776.34)
Redemption of liquid mutual funds and fixed maturity plan securities	766.61	770.78
Interest received	21.00	20.89
b) Net cash generated from/(used in) investing activities	71.28	(104.39)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	2.82	6.77
Dividend paid (including Tax on dividend)	(11.08)	-
Repayment of borrowings	(1.19)	(1.08)
Principal payment of lease liabilities	(5.58)	-
Interest payment of lease liabilities	(2.78)	-
Interest paid	(4.35)	(16.88)
c) Net cash generated from/(used in) financing activities	(22.16)	(11.19)
d) Net increase/(decrease) in cash and cash equivalents	49.64	(197.07)
Cash and cash equivalents at the beginning of the period	16.41	213.48
Cash and cash equivalents at the end of the period	66.05	16.41



Sh



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

Notes

- 1 These financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 (as amended) ['Ind AS'] prescribed under section 133 of the Companies Act, 2013 read with relevant rules, issued thereunder, and other recognised accounting practices and policies and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ['Listing Regulations'].
- 2 The Company's operations comprise of only one segment viz. Networking equipment.
- 3 In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act. The Company and its officials fully co-operated with the Department. During the previous year, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during the year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. The Company is of the view that the outcome of these summons/notices will not have any material impact on the Company's financial results.
During the year, the Company has received notices of demand from the Department for additional tax payable amounting to Rs. 25.62 crores for AY 2017-18 (after adjusting the brought forward losses) under Section 156 of the IT Act after making additions of various items to income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department has also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AAB(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company has also received a demand order for AY 2018-19 for additional tax payable amounting to Rs. 0.48 crore. The Company believes that there are several computational errors in the aforesaid demand orders and therefore the Company has filed an application for rectification of errors in the aforesaid notices, including non-consideration of brought forward losses in AY 2012-13 assessment, u/s 154 of the IT Act. The Company has also challenged the orders passed by the Assessing Officer (AO) and filed an appeal with the Commissioner of Income Tax (Appeals) for the aforesaid assessment years. The Company is of the view that the outcome of these proceedings/ summons/ demands will not have any material impact on the Company's financial results.
- 4 On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during financial years from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the year 2010-11 with associated demand of Rs. 11.87 crores and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of Rs. 24.88 crores i.e. a total demand of Rs 36.75 crores. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT.
According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties.
The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to Rs. 42.92 crores (which includes the demand of Rs 36.75 crores by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to Rs. 0.90 crore. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to Rs 43.82 crores.
The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing.
The Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of financial years 2010-11 to 2013-14 on a similar matter amounting to Rs. 3.01 crores which are not part of the orders discussed above and for which the company had provided its response. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.
- 5 a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees at face value of the Company's share, which were approved by the Nomination and Remuneration Committee and the Board of Directors. For the quarter ended March 31, 2020, an amount of Rs. 0.91 crore (March 31, 2019: Rs. 2.99 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at March 31, 2020, aggregates to 16,84,501 (March 31, 2019: 10,20,923).
b) The Company has, at various grant dates in the earlier years issued stock options under different Employee Stock Option Plans to its employees at different exercise prices. For the quarter ended March 31, 2020, an amount of Rs. 0.08 crore (March 31, 2019: Rs. 0.30 crore) has been recorded as employee share expenses based on accounting as per Ind AS 102, 'Share-based payments'.
- 6 During the previous year, Tejas Israel Limited, a wholly owned non-operating foreign subsidiary has been liquidated with effect from November 25, 2018 pursuant to receiving approval from the Registrar of Companies and Partnerships, Israel.
- 7 During the previous year, vSave Energy Private Limited, a wholly owned non-operating Indian subsidiary has been dissolved with effect from July 28, 2018 pursuant to receiving approval from the Registrar of Companies, Karnataka for dissolution, and for striking off the name of this entity.
- 8 The Company and its overseas subsidiary has filed a claim against a vendor for recovery of outstanding amount (net), which comprises amount payable by the Company and amount receivable by the Company's overseas subsidiary. The Company has also received a counter claim from the said vendor. Based on management assessment, the counter claim is not tenable as it is not backed by reliable supporting documentation. There has been no business with this vendor for more than 3 years. The matter is sub-judice and is under mediation. The Company believes that the outcome of this litigation will have no material impact on this statement of financial results.
- 9 Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'. Therefore, the comparative information for the prior periods have not been restated. On transition, the Company has recorded the lease liabilities at the present value of future lease payments discounted using the incremental borrowing rate. The adoption of Ind AS 116 has resulted in recognition of Right-of-use assets of Rs. 22.65 crore and lease liabilities of Rs. 29.09 crore on the transition date and from such date the nature of expense for leasing arrangements has changed from lease rent in previous periods to depreciation on the Right-of-use assets and finance cost on the corresponding lease liabilities. Cumulative effect of adoption of Ind AS 116 has been recognised by debiting retained earnings by Rs. 4.69 crore (net of deferred tax impact) as at the transition date. The adoption of Ind AS 116 did not have a material impact on the results for the quarter ended March 31, 2020.





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

- 10 The Company has recognised an impairment loss of Rs. 69.87 on identified product development and intangible assets under development. During the year, the Company has discontinued further development on certain intangible assets under development and consequently the entire development expenditure of Rs. 37.10 related to such intangible assets under development has been impaired. Further, in respect of certain identified product development, having a written down value of Rs. 32.77, management does not foresee any future economic benefits based on the likely demand for such products from the customers. Therefore, the related product development costs have been fully impaired as at March 31, 2020.
- 11 The Company had recognised deferred tax assets on losses comprising unabsorbed depreciation and unutilised expenditure on scientific research carried forward from previous years. As part of the ongoing review of the deferred tax assets, during the previous quarter ended December 31, 2019, the carrying amount of the deferred tax assets has been reduced by Rs. 98.55 crores.
- 12 Expected credit losses represents allowance for life-time expected losses on the carrying value of trade receivables, which has been recognised in accordance with the simplified approach as permitted by Ind AS 109, Financial Instruments.
- 13 **Impact of COVID-19 Pandemic**

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company is in the business of providing optical and data transmission equipment to telecom service providers. Since telecom networks have been identified as an essential service, the Company is in a position to provide continual customer and technical support to its customers in India and worldwide, so that their network uptime remains high. With more people working remotely and many services being accessed from home, there has been a significant increase in data traffic in telecom networks, which is expected to drive demand for higher bandwidth and more optical and data transmission equipment. Telecom operators are expected to invest more in upgrading their network capacities, especially to address home broadband needs. The Company's products address the broadband equipment requirements of telecom operators and also are used for augmenting the data capacity of their networks.

However, uncertainty caused by the current situation has resulted in delays in confirmation of customer orders and in executing the orders in hand and an increase in lead times in sourcing components. This situation is likely to continue for the next two quarters based on current assessment.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory, and Investments as at the balance sheet date, and has concluded that there are no material adjustments required in the stand-alone financial results. In the case of Inventory, Management has performed the year-end 'wall to wall' inventory verification at each of its locations and again at a date subsequent to the year end in the presence of its internal auditor (an external firm of Chartered Accountants) to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the stand-alone financial results. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.
- 14 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subjected to review by the statutory auditors.
- 15 As per the Company's dividend policy, the Board may recommend to distribute dividend upto 25 % of the free cash flow of the corresponding Financial Year, out of retained earnings, after taking into account the relevant provisions of the Companies Act. For the year ended March 31 2020, since the Company has incurred a loss, the Board has not recommended any dividend.
- 16 Previous period's figures have been regrouped/reclassified where necessary, to conform with the current period's presentation for the purpose of comparability.
- 17 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 meetings held on April 20 and April 21, 2020 respectively.

Place: Bengaluru
Date: April 21, 2020

For and on behalf of the Board of Directors




Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)





Press Release

Tejas Networks announces consolidated results for quarter ended March 31, 2020

Q4 revenue Rs. 52.7 crore and FY 20 revenue was Rs. 379.8 crore

Q4 PBT (Rs. 126.5) crore and FY 20 PBT was (Rs. 138.6) crore

Bengaluru, April 21, 2020: Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the fourth quarter ended March 31, 2020. 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 Q4, 2020, consolidated revenues (net of pass-through component sale) were Rs. 52.7 crore which was a YoY decline of 80.2%. Decline in revenues resulted in a loss before tax and before impairment of intangible assets of Rs. 56.7 crore, as compared to a profit of Rs. 37.1 crore for corresponding previous period, since a majority of costs other than cost of material, are linked to manpower and are fixed in nature. The weak revenue during Q4 was primarily because of operational challenges and inability to ship confirmed customer orders because of lockdown due to Covid-19 and pushout of new customer orders, which were otherwise expected. The company also reassessed the marketability of its intangible assets under development as well as capitalized intangible assets, and has taken a one-time impairment charge of Rs. 69.87 crore towards the accumulated costs relating to past R&D.

For the year ended March 31, 2020, revenues (net of pass-through component sale) were Rs. 379.8 crore, which was a YoY decline of 56.7%. As a result, for the year, loss before tax and before impairment of intangibles was Rs. 68.7 crore (Loss of Rs. 138.6 crore, post one-time R&D impairment charge), against a profit before tax of Rs. 150.0 crore for the corresponding period. Revenues from customers in India (which was 79% of total revenues in FY19) declined by 63% YoY and in particular, revenues from the India Government segment declined by 88% YoY.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "Indian telecom sector is undergoing major financial stress, resulting in capex reduction by all private operators. In addition, Government spending on telecom projects declined sharply during FY20, resulting in a major revenue decline for us. We have put a lot of focus to reduce our dependence on India, and our medium term goal is to get 50% of our revenues from international customers. We made significant progress during FY20 in terms of securing new international customer wins and increasing our sales investments, but we could not see the positive impact in Q4, due to pushout of orders because of COVID-19.

In the short-term, due to ever-changing COVID-19 situation, it is likely that we will have fluctuations in the Company's operations. There may be delays in customer orders and with various logistics and governmental restrictions, even the execution of orders in hand could be impacted. From a macro industry outlook, with more people working remotely and many services being accessed from homes, there has been a significant increase in data traffic in telecom networks, which will drive a demand for higher bandwidth and more optical and data transmission equipment. Our customers are expected to increase their investments to address fiber-to-the-home broadband requirements and to augment the capacity of their optical networks."

Mr. Venkatesh Gadiyar, CFO said, "As of March 31, 2020, we are a debt free Company and our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, stood at Rs. 280 crore. Our receivables are at Rs. 456 crore, of which a majority is expected to be collected in FY21 and we also have inventory of Rs. 252 crore, a large part of which is expected to be shipped to customers in FY21. During FY21, we expect to improve our cash position from our



current levels, based on our collection plan, inventory usage and tight operations. We have done a detailed cash flow planning for the next 12 months and believe that we are well covered to meet all our business growth requirement. Since the Company has made a loss, as per our policy, the Board has decided not to recommend any dividend this year."

As on date, we have filed for 349 patents and during the quarter, we were granted 3 patent bringing our cumulative grant to 116 patents.

About Tejas Networks Limited

Tejas Networks designs, develops and sells high-performance and cost-competitive networking products to telecommunications service providers, internet service providers, utilities, defence and government entities in over 75 countries. Tejas products utilize programmable, software-defined hardware architecture with a common software code-base that delivers seamless upgrades of new features and technology standards. Tejas Networks is ranked among top-10 suppliers in the global optical aggregation segment and has filed 349 patents.

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

Investor Relations: ir@india.tejasnetworks.com

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.

dyf



Tejas Networks Limited and subsidiaries
Consolidated Balance Sheet as at

(in ₹ crore, except share data)

	March 31, 2020	March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	30.55	30.68
Right-of-use asset	21.29	-
Intangible assets	26.81	68.44
Intangible assets under development	26.99	41.38
Financial assets		
Trade receivables	80.28	42.81
Loans	5.61	4.38
Other financial assets	1.11	0.12
Income tax asset (net)	47.80	36.92
Deferred Tax Asset	41.70	138.00
Other non-current assets	6.97	0.14
Total non - current assets	289.11	362.87
Current assets		
Inventories	251.99	181.39
Financial assets		
Investments	50.97	86.55
Trade receivables	375.63	622.12
Cash and cash equivalents	66.48	16.90
Bank deposits with maturity of more than 3 months but less than 12 months	64.15	106.11
Balance held as margin money	12.56	0.04
Loans	1.17	0.95
Other financial assets	91.59	180.44
Other current assets	37.50	27.91
Total current assets	952.04	1,222.41
Total assets	1,241.15	1,585.28
EQUITY AND LIABILITIES		
Equity		
Equity share capital	95.48	94.99
Other equity	985.46	1,225.25
Total equity	1,080.94	1,320.24
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liabilities	21.91	-
Provisions	0.59	1.75
Total non - current liabilities	22.50	1.75
Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	10.96	26.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	63.81	136.70
Lease liabilities	5.97	-
Other financial liabilities	42.27	81.72
Provisions	7.44	8.14
Other current liabilities	7.26	9.90
Total current liabilities	137.71	263.29
Total equity and liabilities	1,241.15	1,585.28

Q



Tejas Networks Limited and subsidiaries
Consolidated Statements of Comprehensive Income for

(in ₹ crore, except share data)

	Quarter ended Mar 31, 2019	Quarter ended Dec 31, 2019	Quarter ended Mar 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	54.57	86.66	273.13	390.54	900.32
Other Income	13.52	6.19	6.87	33.65	36.69
Total Income	68.09	92.85	280.00	424.19	937.01
Expenses					
Cost of materials consumed	31.56	42.98	145.59	203.58	463.70
Employee benefit expense	35.66	25.83	33.69	110.52	123.66
Finance costs	1.07	0.70	5.07	7.72	17.00
Depreciation and amortization expense	20.89	20.33	17.45	77.05	65.88
Impairment of non-current assets	69.87	-	-	69.87	-
Allowance for expected credit loss (net)	17.41	(1.12)	2.56	20.03	5.24
Other expenses	18.16	18.91	38.56	73.99	111.51
Total Expenses	194.62	107.63	242.92	562.76	786.99
Profit before tax	(126.53)	(14.78)	37.08	(138.57)	150.02
Current tax	-	(0.66)	3.04	-	19.63
Deferred tax	-	97.94	(1.85)	98.55	(16.85)
Profit after tax	(126.53)	(112.06)	35.89	(237.12)	147.24
Other comprehensive income	(1.05)	0.07	(1.33)	(0.43)	(0.95)
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit obligation	(1.29)	0.03	(1.26)	(1.07)	(1.72)
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	0.24	0.04	(0.07)	0.64	0.77
Total comprehensive income for the period	(127.58)	(111.99)	34.56	(237.55)	146.29
Earnings per equity share of ₹ 10 each					
Basic (₹)	(13.73)	(12.16)	3.92	(25.76)	16.13
Diluted (₹)	(13.73)	(12.16)	3.79	(25.76)	15.39
Weighted average equity shares used in computing earnings per equity share					
Basic	9,21,75,744	9,21,28,349	9,16,12,403	9,20,38,454	9,13,08,108
Diluted	9,21,75,744	9,21,28,349	9,65,78,691	9,20,38,454	9,56,67,708

Supplementary Information

Particulars	Quarter ended Mar 31, 2019	Quarter ended Dec 31, 2019	Quarter ended Mar 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	54.57	86.66	273.13	390.54	900.32
Less: Sale of Components	1.89	1.25	7.29	10.75	23.59
Revenue (net of component sales)	52.68	85.41	265.84	379.79	876.73
Year on Year decline	-80.2%			-56.7%	

09



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 Results for quarter and year ended March 31, 2020

(₹ in crore except per share data)

Sl. No.	Particulars	Quarter ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Quarter ended March 31, 2019
1	Total Income from operations*	54.57	390.54	900.32	273.13
2	Net Profit/(Loss) before tax	(126.53)	(138.57)	150.02	37.08
3	Net Profit/(Loss) after tax	(126.53)	(237.12)	147.24	35.89
4	Total Comprehensive Income/(Loss) for the period (Comprising Profit/(Loss) for the period after tax and Other Comprehensive Income/(Loss) after tax)	(127.58)	(237.55)	146.29	34.56
5	Equity Share Capital (Face value of ₹ 10/- each)	95.48	95.48	94.99	94.99
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	985.46	985.46	1,225.25	1,225.25
7	Earnings/(Loss) per Share (of ₹ 10/- each)				
	(i) Basic ₹	(13.73)	(25.76)	16.13	3.92
	(ii) Diluted ₹	(13.73)	(25.76)	15.39	3.79

Notes

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

Particulars	Quarter ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Quarter ended March 31, 2019
Total Income from operations*	54.56	386.20	894.03	271.91
Net Profit/(Loss) before tax	(126.74)	(137.61)	149.47	37.05
Net Profit/(Loss) after tax	(126.74)	(236.16)	146.69	35.86

2 The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The full format of the Quarterly financial results are available on the website of the Stock Exchange(s) and the Company (www.tejasnetworks.com).

3 In July, 2017, the Income Tax Department (Department) initiated proceedings under Section 132 of the Income tax Act, 1961 (IT Act) and in March 2018, also sent a show cause notice to the company under Section 276(C) of the IT Act. The Company and its officials fully co-operated with the Department. During the previous year, the Company and certain officers of the Company had received Summons under various sections of the IT Act from the Special Court for Economic Offences, to which the Company has responded. Post the ongoing proceedings initiated by the Department, during the year, certain other agencies sent notices as part of their preliminary inquiries, which were duly responded by the Company and its officials. The Company is of the view that the outcome of these summons/notices will not have any material impact on the Company's financial results. During the year, the Company has received notices of demand from the Department for additional tax payable amounting to Rs. 25.62 crores for AY 2017-18 (after adjusting the brought forward losses) under Section 156 of the IT Act after making additions of various items to income as per assessment orders issued under Section 143(3) read with Section 153A of the IT Act. The Department has also issued show cause notices for initiating penalty proceedings under Section 274 read with Section 270A/ 271(1)(c)/ 271AA(1A) of the IT Act and the Company has filed a stay application against the penalty proceedings. The Company has also received a demand order for AY 2018-19 for additional tax payable amounting to Rs. 0.48 crore. The Company believes that there are several computational errors in the aforesaid demand orders and therefore the Company has filed an application for rectification of errors in the aforesaid notices, including non-consideration of brought forward losses in AY 2012-13 assessment, u/s 154 of the IT Act. The Company has also challenged the orders passed by the Assessing Officer (AO) and filed an appeal with the Commissioner of Income Tax (Appeals) for the aforesaid assessment years. The Company is of the view that the outcome of these proceedings/ summons/ demands will not have any material impact on the Company's financial results.

4 On July 4, 2018, the Company had received an Order from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) with respect to applicability of excise duty on the software used as part of the Multiplexer products during financial years from 2002-03 to 2009-10. The aforesaid CESTAT Order dealt with an earlier Order received during the year 2010-11 with associated demand of Rs. 11.87 crores and various show cause notices on a similar matter received in earlier financial years leading to an additional demand of Rs. 24.88 crores i.e. a total demand of Rs 36.75 crores. The aforesaid CESTAT Order was a culmination of the various appeals filed by both the Company and the Department of Central Excise in respect of both the earlier order and the show cause notices mentioned above that were heard by the Commissioner of Central Excise and CESTAT.

According to the aforesaid CESTAT Order, the value of software is to be included for the purpose of arriving at the assessable value for calculating the excise duty liability on the product. Accordingly, CESTAT had remanded the matter back to the adjudicating authority in June 2018 for quantifying the differential duty liability, interest and penalties.

The adjudicating authority vide its order dated October 31, 2019 passed an order quantifying the differential duty liability and penalty amounting to Rs. 42.92 crores (which includes the demand of Rs 36.75 crores by CESTAT as mentioned above) and ordering recovery of appropriate interest. Additionally, the adjudicating authority has also imposed penalty on certain officers of the Company amounting to Rs. 0.90 crore. The total demand, in respect of this matter, as per the Order of the adjudicating authority, aggregates to Rs 43.82 crores.

The Company had earlier filed a Miscellaneous Application with CESTAT on August 19, 2018 challenging the aforementioned CESTAT Order passed in July 2018. Pursuant to the quantification order of the adjudicating authority in October 2019 as stated above, the Miscellaneous Application has been withdrawn by the Company as the Company has filed a fresh appeal dated February 6, 2020 before the CESTAT against the order of the adjudicating authority dated October 31, 2019. The Company had also filed a Civil Application on September 24, 2018 under section 35L of the Central Excise Act, 1944 along with a stay application before the Hon'ble Supreme Court of India against the aforesaid CESTAT order passed in June 2018. The same continues to remain pending for final hearing.

The Company had, in previous years, also received show cause notices, from the Department of Central Excise in respect of financial years 2010-11 to 2013-14 on a similar matter amounting to Rs. 3.01 crores which are not part of the orders discussed above and for which the company had provided its response. Based on Management's assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in these financial results.

- 5 The Company had recognised deferred tax assets on losses comprising unabsorbed depreciation and unutilised expenditure on scientific research carried forward from previous years. As part of the ongoing review of the deferred tax assets, during the year, the carrying amount of the deferred tax assets has been reduced by Rs. 98.55 crores.
- 6 The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company is in the business of providing optical and data transmission equipment to telecom service providers. Since telecom networks have been identified as an essential service, the Company is in a position to provide continual customer and technical support to its customers in India and worldwide, so that their network uptime remains high. With more people working remotely and many services being accessed from home, there has been a significant increase in data traffic in telecom networks, which is expected to drive demand for higher bandwidth and more optical and data transmission equipment. Telecom operators are expected to invest more in upgrading their network capacities, especially to address home broadband needs. The Company's products address the broadband equipment requirements of telecom operators and also are used for augmenting the data capacity of their networks. However, uncertainty caused by the current situation has resulted in delays in confirmation of customer orders and in executing the orders in hand and an increase in lead times in sourcing components. This situation is likely to continue for the next two quarters based on current assessment. The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory, and Investments as at the balance sheet date, and has concluded that there are no material adjustments required in the stand-alone financial results. In the case of Inventory, Management has performed the year-end 'wall to wall' inventory verification at each of its locations and again at a date subsequent to the year end in the presence of its internal auditor (an external firm of Chartered Accountants) to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc. Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the stand-alone financial results. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

* excludes other income.

For and on behalf of the Board of Directors

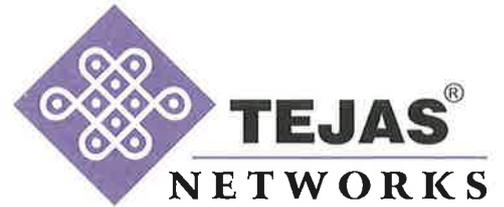

Sanjay Nayak
CEO and Managing Director
(DIN: 01049871)

Place: Bengaluru
Date: April 21, 2020

9

Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City Phase 1
Hosur Road, Bengaluru 560 100, India
Tel : +91- 80- 4179 4600/700/800
Fax: +91- 80- 2852 0201



Annexure - D

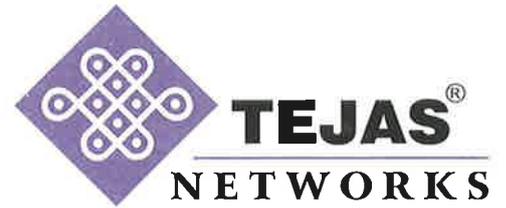
Brief Profile of Dr. Gururaj Deshpande

Gururaj Deshpande has obtained Bachelor of Technology degree from the Indian Institute of Technology, Madras, a Master of Engineering degree from the University of New Brunswick and a doctor of philosophy degree from Queen's University. He has several years of experience in heading a private family investment group. He is the President and Chairman of Sparta Group MA LLC. He also serves as a life-member of the MIT Corporation, USA.



Tejas Networks Ltd.

Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City Phase 1
Hosur Road, Bengaluru 560 100, India
Tel : +91- 80- 4179 4600/700/800
Fax: +91- 80- 2852 0201



Annexure - E

Brief Profile of Amb. Leela K Ponappa

Leela K Ponappa has obtained her Bachelor of Arts degree and Master of Arts degree from the University of Madras. She has been an officer of the Indian Foreign Service for several years. She has served as the ambassador of India to Thailand and Netherlands. She has also held the post of Deputy National Security Adviser and Secretary, National Security Council and Additional Secretary in the Ministry of External Affairs. She was also appointed as a permanent representative to the Organization for the Prohibition of Chemical Weapons.

