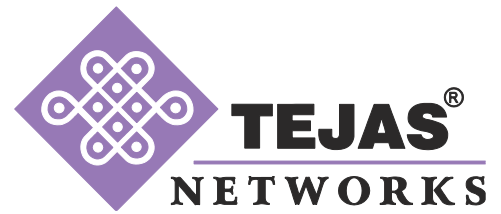


## Tejas Networks Ltd.

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



February 06, 2023

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

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

Dear Sir/Madam,

### **Re: Outcome of Board Meeting**

This is with reference to our letter dated January 23, 2023 informing about the Board Meeting scheduled on February 6, 2023.

The Board of Directors of Tejas Networks Limited ('the Company') at their meeting held on Monday, February 6, 2023 at 3:00 P.M and concluded at 6:00 P.M at the registered office of the Company has *inter alia* considered and approved the following:

### **Financial Results:**

1. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the unaudited financial results (standalone and consolidated) as per IND-AS for the quarter and nine-months ended December 31, 2022 together with the Limited review report of the Statutory Auditors for the said period is enclosed as **Annexure - A**.

### **Grant of Restricted Stock Units:**

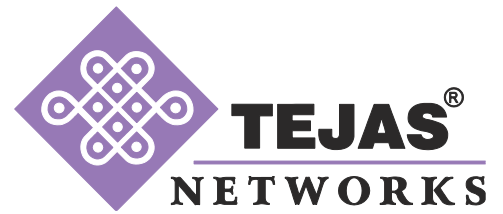
2. Based on the recommendations of the Nomination and Remuneration Committee:
  - Approved the grant of 60,100 Restricted Stock Units at face value of Rs. 10/- each under Tejas Restricted Stock Unit Plan 2017 to the eligible employees of the Company.
  - Approved the grant 2,24,000 Restricted Stock Units at face value of Rs. 10/- each under Tejas Restricted Stock Unit Plan 2022 to certain Key Managerial Personnel of Saankhya Labs Private Limited, a majority owned subsidiary of the Company with effective date of grant as October 1, 2022.

### **Allotment of Shares:**

3. Allotment of 31,031 Equity Shares of the Company pursuant to exercise of the Stock Options/ Restricted Stock Units by eligible Employees/Senior Management/ Key Managerial Personnel of the Company under respective Stock Options Plans/ Tejas Restricted Stock Unit Plan 2017.

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### Retirement of the Independent Director:

4. Retirement of Amb. Leela K Ponappa, Independent Director with effect from February 16, 2023, consequent to completion of second term in the office of the Director of the Company.

The Board places on record its sincere appreciation for the contribution made by Amb. Leela K Ponappa during her tenure on the Board as well as on the Committees of the Board of the Company.

The disclosures required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/ CFD/ CMD/4/2015 dated September 9, 2015 and other disclosures as **Annexure - B**.

### Reconstitution of Committees of the Board:

5. Consequent to the retirement of Amb. Leela K Ponappa, Independent Director as Director of the Company and member of Board Committees, the Board Committees are reconstituted with effect from February 16, 2023 as under:

#### a) Audit Committee

S.No	Composition	Designation in the Committee
1	Mr. Chandrashekhar Bhaskar Bhave	Chairperson
2	Mr. P R Ramesh	Member
3	Mr. A S Lakshminarayanan	Member

#### b) Nomination and Remuneration Committee

S.No	Composition	Designation in the Committee
1	Mr. P R Ramesh	Chairperson
2	Mr. Chandrashekhar Bhaskar Bhave	Member
3	Mr. A S Lakshminarayanan	Member

#### c) Risk Management Committee

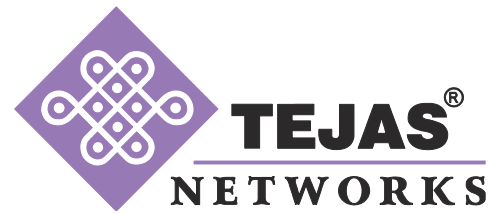
S.No	Composition	Designation in the Committee
1	Mr. P R Ramesh	Chairperson
2	Mr. Chandrashekhar Bhaskar Bhave	Member
3	Prof. Bhaskar Ramamurthi	Member

#### d) Corporate Social Responsibility Committee

S.No	Composition	Designation in the Committee
1	Prof. Bhaskar Ramamurthi	Chairperson
2	Mr. Sanjay Nayak	Member
3	Mr. Arnob Roy	Member

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### We also enclose:

- a) Copy of the press release issued with respect of said financial results as **Annexure- C**.
- b) Extracts of the unaudited financial results under IND-AS (Standalone and Consolidated) for the quarter and nine-months ended December 31, 2022 being published in the newspapers as **Annexure - D**.

Please note that the Conference Call details to discuss the Company's performance on Monday, February 06, 2023 at 7.00 P.M (IST) has already been intimated to Stock Exchanges vide our letter dated January 31, 2023.

The above information is also available on the website of the Company at [www.tejasnetworks.com](http://www.tejasnetworks.com).

Kindly take the above information on record and acknowledge.

Thanking you,

Yours sincerely

**For Tejas Networks Limited**

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

Encl: as above

## Price Waterhouse Chartered Accountants LLP

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

To  
The Board of Directors  
Tejas Networks Limited  
5th Floor, J P Software Park,  
Plot No. 25, Sy, No. 13, 14, 17 and 18,  
Konnapanan Agrahara Village,  
Begur Hobli, Bengaluru – 560 100

1. We have reviewed the unaudited standalone financial results of Tejas Networks Limited (the "Company") for the quarter and nine months ended December 31, 2022, which are included in the accompanying 'Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022' together the "Standalone Statement"). The Standalone Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Standalone Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Statement based on our review.
3. We conducted our review of the Standalone Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Standalone Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Standalone Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 3 to the Standalone Statement which explains the uncertainties and the management's assessment of the financial impact due to supply constraints and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Our conclusion is not modified in respect of this matter.

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



Mohan Danivas S A  
Partner  
Membership Number: 209136  
UDIN: 23209136BGXTVQ4452

Place: Bengaluru  
Date: February 6, 2023

Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor  
Bangalore - 560 008

T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

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

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



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

### Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022

(Rs in crore except per share data)

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months	Nine months	Year ended
	December 31,	September	December 31,	ended	ended	March 31, 2022
	2022	30, 2022	2021	December 31,	December 31,	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
				2022	2021	
I Revenue from operations	253.29	205.77	107.04	584.69	423.64	549.14
II Other Income	19.74	19.38	16.39	57.81	28.86	43.25
<b>III Total income (I + II)</b>	<b>273.03</b>	<b>225.15</b>	<b>123.43</b>	<b>642.50</b>	<b>452.50</b>	<b>592.39</b>
<b>IV EXPENSES</b>						
(a) Cost of materials consumed	160.50	112.30	62.88	340.20	219.88	290.74
(b) Purchases of stock in trade	9.82	7.08	7.14	25.83	18.22	23.69
(c) Changes in inventories of stock in trade	(2.55)	(1.00)	(1.65)	(3.27)	(3.32)	(3.65)
(d) Employee benefit expense	44.80	39.40	29.65	121.35	87.12	124.51
(e) Finance costs	1.43	1.45	0.73	3.76	2.81	3.03
(f) Depreciation and amortization expense	28.13	23.88	20.22	75.38	54.89	76.78
(g) Allowance for expected credit loss	(12.43)	(8.21)	12.97	(25.35)	19.27	87.91
(h) Other expenses	32.15	31.12	24.15	87.25	74.87	107.53
<b>Total expenses (IV)</b>	<b>261.85</b>	<b>206.02</b>	<b>156.09</b>	<b>625.15</b>	<b>473.74</b>	<b>710.54</b>
<b>V Profit/(Loss) before tax (III - IV)</b>	<b>11.18</b>	<b>19.13</b>	<b>(32.66)</b>	<b>17.35</b>	<b>(21.24)</b>	<b>(118.15)</b>
<b>VI Income tax expense/(benefit)</b>						
(1) Current tax expense/(benefit)	(0.47)	1.36	(11.21)	-	(9.58)	0.19
(2) Deferred tax expense/(benefit)	6.26	8.51	2.60	9.36	1.43	(54.61)
<b>Total tax expense/(benefit)</b>	<b>5.79</b>	<b>9.87</b>	<b>(8.61)</b>	<b>9.36</b>	<b>(8.15)</b>	<b>(54.42)</b>
<b>VII Profit/(Loss) after tax (V - VI)</b>	<b>5.39</b>	<b>9.26</b>	<b>(24.05)</b>	<b>7.99</b>	<b>(13.09)</b>	<b>(63.73)</b>
<b>VIII Other comprehensive income/(loss)</b>						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation	(1.00)	(3.00)	(0.50)	(4.05)	(2.35)	(2.08)
Income tax relating to above	(0.53)	0.53	0.09	-	0.41	-
<b>Total comprehensive income/(loss) for the period (VII + VIII)</b>	<b>3.86</b>	<b>6.79</b>	<b>(24.46)</b>	<b>3.94</b>	<b>(15.03)</b>	<b>(65.81)</b>
<b>X Earnings/(Loss) per equity share</b>						
Equity shares of par value Rs. 10 each						
(1) Basic	0.35	0.61	(2.11)	0.53	(1.28)	(6.07)
(2) Diluted (Refer Note - 11)	0.32	0.57	(2.11)	0.50	(1.28)	(6.07)



Initialed for identification purpose only



## Tejas Networks Limited

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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. This Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022 has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, read with the relevant rules issued thereunder 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. Impact due to supply constraints and other conditions relating to COVID-19 pandemic:  
During the quarter ended December 31, 2022, the Company continued to face delays in executing certain orders-in-hand, due to increased lead-time for sourcing semiconductor components, arising post COVID-19. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till the demand-supply situation in the semiconductor component industry stabilises. Management has taken into account all possible impact of known events arising from COVID-19 pandemic and supply constraints in making this assessment and has concluded that no further adjustments are considered necessary. The above impact assessment is however a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.
4. In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20, 2020-21 and 2022-23 certain other agencies sent notices as part of their inquiries, which were duly responded / attended by the Company and its officials.  
In FY 2019-20, the Income Tax assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The management is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Company's financial results.
5. During FY 2018-19 and 2019-20, the Company received demand orders for Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT.  
During the previous year the Company received a demand order for Rs. 3.32 crore for FY 2010-11 to FY 2013-14 on similar matters. The Company has filed appeals with the concerned authorities. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in this regard.
6. The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees and employees of its subsidiaries 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 December 31, 2022, an amount of Rs. 10.65 crore (December 31, 2021: Rs. 3.50 crore), net of recoveries, has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at December 31, 2022, aggregates to 38,87,343 (December 31, 2021: 17,76,901).



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7. The Company has from time to time in the normal course of business entered into factoring agreements on a non-recourse basis with banks/factoring institutions for some of the trade receivables. As at December 31, 2022 the trade receivables do not include receivables amounting to Rs. 10.51 crore (December 31, 2021: 36.93 crore) which have been derecognized in accordance with Ind AS 109, 'Financial Instruments', pursuant to such factoring arrangements entered in the current quarter.
8. Issue of Equity shares and Warrants through Preferential allotment  
During the year ended March 31, 2022, the Company made preferential allotment, based on the approval of the Board of Directors, as follows:
- 1,93,79,845 equity shares, having face value of Rs. 10/- each, at a price of Rs. 258 per Equity Share, aggregating to Rs. 500 crore ("Subscription Shares");
  - 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 950 crore ("Series A Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants ("Series A Warrants"); and
  - 1,55,03,876 warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of Rs. 258 per equity share aggregating to Rs. 400 crore ("Series B Warrant Exercise Price"), which may be exercised in one or more tranches during the period commencing after the expiry of 12 (twelve) months from the date of allotment of the warrants until expiry of 18 (eighteen) months from the date of allotment of the warrants ("Series B Warrants");
- on terms and conditions as determined by the Board in accordance with the SEBI (ICDR) Regulations and other applicable laws, and as set out in the share subscription agreement executed between the Company and Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).
- The Company on September 7, 2021 received a total amount aggregating to Rs. 837.50 crore, which includes exercise price on subscription shares amounting to Rs. 500 crore and 25% of the Series A Warrants and Series B Warrants amounting to Rs. 237.50 crore and Rs. 100 crore respectively.
- In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at Rs. 258/- per equity share. The open offer tendering commenced on October 11, 2021 and ended on October 26, 2021. 2,592 equity shares were acquired through the open offer. Upon completion of the Open Offer, Panatone Finvest Limited is designated as promoter of the Company and Akashastha Technologies Limited and Tata Sons Private Limited as members of the Promoter Group of the Company.
- During the quarter ended June 30, 2022, Panatone Finvest Limited exercised the right attached to the Series A Warrants and subscribed to the equity shares by remitting the balance 75% of the Exercise Price of Series A Warrants amounting to Rs. 712.50 crore. On April 8, 2022, the Company allotted 3,68,21,706 equity shares upon exercise of such warrants.
- On February 03, 2023, Panatone Finvest Limited exercised the right attached to the Series B Warrants and subscribed to the equity shares by remitting the balance 75% of the Exercise Price of Series B Warrants amounting to Rs. 300 crore. On February 06, 2023, the Company allotted 1,55,03,876 equity shares upon exercise of such warrants.
9. Pursuant to a definitive agreement entered into by the Company with Saankhya Labs Private Limited (Saankhya Labs) and its shareholders on March 30, 2022, the Company acquired majority stake in Saankhya Labs Private Limited on July 1, 2022. The Company at various dates acquired 64.40% of equity shares in aggregate through secondary purchase at a price of Rs. 454.19 per equity share amounting to 283.94 crore.
- On July 08, 2022, Saankhya Labs has acquired 100% Shareholding in Saankhya Strategic Electronics Private Limited (SSE) which was incorporated with the main objective to develop, maintain and service all types of communication systems, electronic products, semiconductor integrated circuits/ chips, micro controllers, digital signal processors, processing algorithms, embedded software and related hardware and software. Consequent to such acquisition SSE has become a wholly-owned subsidiary of Saankhya Labs and a step-down subsidiary of the Company with effect from July 08, 2022.



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10. The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the Draft Scheme of Amalgamation of Saankhya Labs and SSE, with the Company and the respective stakeholders (the "Scheme"). The Company has filed the scheme with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 30, 2022. Upon implementation of the scheme, the shareholders holding remaining 35.60% equity shares in Saankhya Labs Private Limited will be issued 112 equity shares of the Company for every 100 equity shares held in Saankhya Labs Private Limited.  
The Scheme is subject to receipt of necessary approvals from the National Company Law Tribunal (NCLT), Stock Exchanges, the Securities and Exchange Board of India (SEBI), Shareholders, Creditors and such other persons and authorities, as may be required. Till such approvals are received, Saankhya Labs and SSE will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.
11. Potentially issuable equity shares, on account of Share Options/RUs issued to employees and share warrants, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share if they are anti-dilutive for the period presented.
12. Previous period's figures have been regrouped/reclassified wherever necessary, to confirm with the current period's presentation for the purpose of comparability.
13. The above statement of standalone financial results was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on February 06, 2023.

For and on behalf of the Board of Directors

**Sanjay Nayak**  
CEO and Managing Director  
(DIN: 01049871)



Place: Bengaluru  
Date: February 06, 2023



*Initialed for identification purpose only*



# Price Waterhouse Chartered Accountants LLP

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

To

The Board of Directors  
Tejas Networks Limited,  
5th Floor, J P Software Park,  
Plot No. 25, Sy.No.13,14,17 and 18,  
Konnapana Agrahara Village,  
Begur Hobli, Bengaluru – 560 100

1. We have reviewed the unaudited consolidated financial results of Tejas Networks Limited (the "Parent"), its subsidiaries and stepdown subsidiaries (the parent its subsidiaries and stepdown subsidiaries hereinafter referred to as the "Group"), (refer Note 1 on the Consolidated Statement for the quarter and nine months ended December 31, 2022 which are included in the accompanying 'Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022') (the "Consolidated Statement"). The Consolidated Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.
2. This Consolidated Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
3. We conducted our review of the Consolidated Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Consolidated Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



Price Waterhouse Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor  
Bangalore - 560 008  
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

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

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# Price Waterhouse Chartered Accountants LLP

4. The Consolidated Statement includes the results of the following entities:

## Subsidiaries

- a) Tejas Communications Pte. Limited, Singapore
- b) Saankhya Labs Private Limited, India

## Stepdown Subsidiaries

- a) Tejas Communications (Nigeria) Limited
  - b) Saankhya Strategic Electronics Private Limited
  - c) Saankhya US Inc, USA
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Consolidated Financial Results includes the financial results of 1 subsidiary and 3 step down subsidiaries which have not been reviewed by their auditors and whose financial results reflect total revenue of Rs. 6.53 crores and 8.21 crores , total net profit/ (loss) after tax of Rs. (0.59) crores and Rs. (0.62) crores and total comprehensive income/ (loss) of Rs. (0.90) crores and Rs. (1.58) crores for the quarter and nine months ended December 31, 2022 respectively. According to the information and explanations given to us by the Management, the financial information of the aforesaid subsidiary and step-down subsidiaries are not material to the Group.
7. We draw your attention to Note 4 to the Consolidated Statement which explains the uncertainties and the management's assessment of the financial impact due to supply constraints and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Our conclusion is not modified in respect of this matter.

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



Mohan Danivas S A  
Partner

Membership Number: 209136  
UDIN: 23209136BGXTVR5569

Place: Bengaluru  
Date: February 6, 2023



## Tejas Networks Limited

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

### Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022

(Rs. in crore except per share data)

Particulars	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Year ended March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	274.55	219.94	107.06	620.25	424.09	550.59
II Other Income	21.00	20.05	16.39	59.74	28.94	43.30
<b>III Total income (I + II)</b>	<b>295.55</b>	<b>239.99</b>	<b>123.45</b>	<b>679.99</b>	<b>453.03</b>	<b>593.89</b>
<b>IV EXPENSES</b>						
(a) Cost of materials consumed	160.54	115.39	62.88	343.33	219.88	290.74
(b) Purchases of stock in trade	9.82	7.08	7.14	25.83	18.22	23.69
(c) Changes in inventories of stock in trade	(2.58)	(3.40)	(1.65)	(5.70)	(3.32)	(3.65)
(d) Employee benefit expense	68.66	48.51	31.36	155.13	93.08	134.43
(e) Finance costs	4.74	4.87	0.78	10.55	2.94	3.19
(f) Depreciation and amortization expense	29.35	25.82	20.22	78.54	54.89	76.78
(g) Allowance for expected credit loss	(12.42)	(8.24)	12.97	(25.37)	19.27	87.76
(h) Other expenses	42.52	39.06	22.66	104.80	69.31	98.08
<b>Total Expenses (IV)</b>	<b>300.63</b>	<b>229.09</b>	<b>156.36</b>	<b>687.11</b>	<b>474.27</b>	<b>711.02</b>
<b>V Profit/(Loss) before tax (III - IV)</b>	<b>(5.08)</b>	<b>10.90</b>	<b>(32.91)</b>	<b>(7.12)</b>	<b>(21.24)</b>	<b>(117.13)</b>
<b>VI Income tax expense/(benefit)</b>						
(1) Current tax expense/(benefit)	(0.47)	1.36	(11.21)	-	(9.58)	0.19
(2) Deferred tax expense/(benefit)	6.27	8.47	2.60	9.33	1.43	(54.61)
<b>Total tax expense/(benefit)</b>	<b>5.80</b>	<b>9.83</b>	<b>(8.61)</b>	<b>9.33</b>	<b>(8.15)</b>	<b>(54.42)</b>
<b>VII Profit/(Loss) after tax (V - VI)</b>	<b>(10.88)</b>	<b>1.07</b>	<b>(24.30)</b>	<b>(16.45)</b>	<b>(13.09)</b>	<b>(62.71)</b>
<b>VIII Other comprehensive income/(loss)</b>						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit obligation	(1.00)	(3.13)	(0.50)	(4.18)	(2.35)	(2.08)
Income tax relating to above	(0.53)	0.56	0.09	0.03	0.41	-
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(0.07)	0.13	0.77	0.28	1.23	0.89
<b>IX Total comprehensive income/(loss) for the period (VII + VIII)</b>	<b>(12.48)</b>	<b>(1.37)</b>	<b>(23.94)</b>	<b>(20.32)</b>	<b>(13.80)</b>	<b>(63.90)</b>
<b>X Earnings/(Loss) per equity share</b>						
<b>Equity shares of par value Rs. 10 each</b>						
(1) Basic	(0.71)	0.07	(2.13)	(1.09)	(1.29)	(5.97)
(2) Diluted (Refer Note - 13)	(0.71)	0.07	(2.13)	(1.09)	(1.29)	(5.97)



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### Notes

- The Statement of unaudited consolidated financial results includes the results of Tejas Networks Limited ('the Company' or 'the Holding Company') and the following subsidiaries/ step down subsidiaries (collectively referred as 'the Group' herein under):

#### Subsidiaries:

- Tejas Communication Pte. Limited, Singapore
- Saankhya Labs Private Limited

#### Step down Subsidiaries:

- Tejas Communications (Nigeria) Limited, Nigeria
- Saankhya Strategic Electronics Private Limited
- Saankhya Labs Inc, USA

- This Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022 has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, read with the relevant rules issued thereunder 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.
- Impact due to supply constraints and other conditions relating to COVID-19 pandemic:  
During the quarter ended December 31, 2022, the Group continued to face delays in executing certain orders-in-hand, due to increased lead-time for sourcing semiconductor components, arising post COVID-19. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till the demand-supply situation in the semiconductor component industry stabilises. Management has taken into account all possible impact of known events arising from COVID-19 pandemic and supply constraints in making this assessment and has concluded that no further adjustments are considered necessary. The above impact assessment is however a continuing process given the uncertainties associated with its nature and duration. The Group will continue to closely monitor any material changes to future economic conditions.
- Summary of key standalone financial results of the Company is as follows:

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2022	2022	2021	2022	2021	2022
Revenues from operations	253.29	205.77	107.04	584.69	423.64	549.14
Profit/(Loss) before tax	11.18	19.13	(32.66)	17.35	(21.24)	(118.15)
Profit/(Loss) after tax	5.39	9.26	(24.05)	7.99	(13.09)	(63.73)

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, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20, 2020-21 and 2022-23 certain other agencies sent notices as part of their inquiries, which were duly responded / attended by the Company and its officials.

In FY 2019-20, the Income Tax assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The management is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Group's financial results.



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7. During FY 2018-19 and 2019-20, the Company received demand orders for Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT.

During the previous year the Company received a demand order for Rs. 3.32 crore for FY 2010-11 to FY 2013-14 on similar matters. The Company has filed appeals with the concerned authorities. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in this regard.

8. a) The Company has, at various grant dates issued Restricted Stock Units (RSUs) to its employees and employees of its subsidiaries 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 December 31, 2022, an amount of Rs. 26.13 crore (December 31, 2021: Rs. 3.50 crore) has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The RSUs granted and outstanding as at December 31, 2022, aggregates to 38,87,343 (December 31, 2021: 17,76,901).

b) Saankhya Labs Private Limited has, at various grant dates issued stock options under different Employee Stock Option Plans to its employees at different exercise prices. For the quarter ended December 31, 2022, an amount of Rs. 0.38 crore has been recorded as employee share expenses based on requirements in Ind AS 102, 'Share-based payments'. The ESOPs granted and outstanding as at December 31, 2022, aggregates to 10,06,120.

9. The Company has from time to time in the normal course of business entered into factoring agreements on a non-recourse basis with banks/factoring institutions for some of the trade receivables. As at December 31, 2022 the trade receivables do not include receivables amounting to Rs. 10.51 crore (December 31, 2021: 36.93 crore) which have been derecognized in accordance with Ind AS 109, 'Financial Instruments', pursuant to such factoring arrangements entered in the current quarter.

10. Issue of Equity shares and Warrants through Preferential allotment

During the year ended March 31, 2022, the Company made preferential allotment, based on the approval of the Board of Directors, as follows:

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

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

The Company on September 7, 2021 received a total amount aggregating to Rs. 837.50 crore, which includes exercise price on subscription shares amounting to Rs. 500 crore and 25% of the Series A Warrants and Series B Warrants amounting to Rs. 237.50 crore and Rs. 100 crore respectively.

In view of substantial acquisition of securities, voting rights and control over the Company, Panatone Finvest Limited along with Akashastha Technologies Private Limited (a subsidiary of Panatone Finvest limited) and Tata Sons Private Limited made an Open Offer to acquire 4,02,55,631 fully paid-up equity shares at Rs. 258/- per equity share. The open offer tendering commenced on October 11, 2021 and ended on October 26, 2021. 2,592 equity shares were acquired through the open offer. Upon completion of the Open Offer, Panatone Finvest Limited is designated as promoter of the Company and Akashastha Technologies Limited and Tata Sons Private Limited as members of the Promoter Group of the Company.



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During the quarter ended June 30, 2022, Panatone Finvest Limited exercised the right attached to the Series A Warrants and subscribed to the equity shares by remitting the balance 75% of the Exercise Price of Series A Warrants amounting to Rs. 712.50 crore. On April 8, 2022, the Company allotted 3,68,21,706 equity shares upon exercise of such warrants.

On February 03, 2023 Panatone Finvest Limited exercised the right attached to the Series B Warrants and subscribed to the equity shares by remitting the balance 75% of the exercise price of Series B Warrants amounting to Rs. 300 crore. On February 06, 2023, the Company allotted 1,55,03,876 equity shares upon exercise of such warrants.

11. Pursuant to a definitive agreement entered into by the Company with Saankhya Labs Private Limited (Saankhya Labs) and its shareholders on March 30, 2022, the Company acquired majority stake in Saankhya Labs Private Limited on July 1, 2022. The Company at various dates acquired 64.40% of equity shares in aggregate through secondary purchase at a price of Rs. 454.19 per equity share amounting to 283.94 crore.

On July 08, 2022, Saankhya Labs has acquired 100% Shareholding in Saankhya Strategic Electronics Private Limited (SSE) which was incorporated with the main objective to develop, maintain and service all types of communication systems, electronic products, semiconductor integrated circuits/ chips, micro controllers, digital signal processors, processing algorithms, embedded software and related hardware and software. Consequent to such acquisition SSE has become a wholly-owned subsidiary of Saankhya Labs and a step-down subsidiary of the Company with effect from July 08, 2022.

As a result of acquisition of controlling interest by the Company in Saankhya and Saankhya Labs in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated results for the quarter and nine months ended December 31, 2022 includes the contribution from those entities as below:

Particulars	Quarter ended December 31, 2022	Nine months ended December 31, 2022
Revenue from Operations	20.94	34.81
Profit / (Loss) before Tax	(13.46)	(18.77)
Profit / (Loss) after Tax	(13.45)	(18.73)

The fair value of assets and liabilities acquired have been provisionally determined by the Company and accounted for in accordance with IND AS 103 Business Combination.

Results for the quarter and nine months ended December 31, 2022, include the impact of the above transaction and are not comparable with the results for the quarter and nine months ended December 31, 2021.

12. The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the Draft Scheme of Amalgamation of Saankhya Labs and SSE, with the Company and the respective stakeholders (the "Scheme"). The Company has filed the scheme with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 30, 2022. Upon implementation of the scheme, the shareholders holding remaining 35.60% equity shares in Saankhya Labs Private Limited will be issued 112 equity shares of the Company for every 100 equity shares held in Saankhya Labs Private Limited.

The Scheme is subject to receipt of necessary approvals from the National Company Law Tribunal (NCLT), Stock Exchanges, the Securities and Exchange Board of India (SEBI), Shareholders, Creditors and such other persons and authorities, as may be required. Till such approvals are received, Saankhya Labs and SSE will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.



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13. Potentially issuable equity shares, on account of Share Options/RsUs issued to employees and share warrants, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share if they are anti-dilutive for the period presented.
14. Previous period's figures have been regrouped/reclassified wherever necessary, to confirm with the current period's presentation for the purpose of comparability.
15. The above statement of consolidated financial results was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on February 06, 2023.

For and on behalf of the Board of Directors

**Sanjay Nayak**  
CEO and Managing Director  
(DIN: 01049871)



Place: Bengaluru

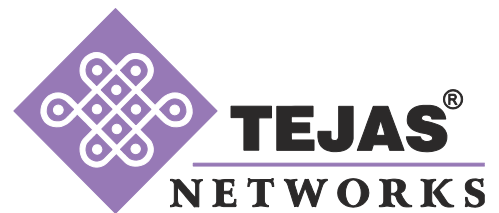
Date: February 06, 2023



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## Tejas Networks Ltd.

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J.P. Software Park, Electronic City Phase 1  
Hosur Road, Bengaluru 560 100, India  
Tel : +91- 80- 4179 4600/700/800  
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### Annexure – B

Disclosures required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 and other disclosures

S.No	Details of the events	Information on the events
1	The reason for change viz. appointment, resignation, removal, death or otherwise;	Amb. Leela K Ponappa, Independent Director (DIN: 07433990), ceased to be a Director of the Company with effect from February 16, 2023, consequent to the completion of her second term in the office of the Director of the Company.  Consequently, she ceased to be the Member of the Committees in which she holds position either as a Chairman or as a Member.
2	Date of appointment	Amb. Leela K Ponappa was appointed by the Shareholders for a period of two years. Subsequently, the Shareholders reappointed her for a period of 5 years.  <b>First Term</b> - February 16, 2016 to February 15, 2018 <b>Second Term</b> - February 16, 2018 to February 15, 2023
3	Brief Profile	Amb. Leela K. Ponappa served as a career diplomat in the I.F.S. for 36 years since 1970. She has been Ambassador of India to Thailand, the Netherlands, Permanent Representative of India to UN-ESCAP, Bangkok and the Organisation for the Prohibition of Chemical Weapons, The Hague and Deputy National Security Adviser. Her work experience has covered all aspects of India's relations with its neighbours; India-US trade and investment; FTAs; regional cooperation and major global issues including security cooperation. She was also the non-ASEAN Co-Chair of the Track II Council for Security cooperation in the Asia Pacific (CSCAP) from 2012-14 while heading CSCAP-India.
4	The disclosure of relationships between director (in case of appointment of a director)	Not Applicable

For Tejas Networks Limited

**N R Ravikrishnan**  
General Counsel and Chief Compliance Officer  
and Company Secretary





## Press Release

**Tejas Networks announces consolidated results for quarter ended December 31, 2022**  
**Q3 23 revenue was Rs. 274.6 crore and 9M 23 revenue was Rs. 620.3 crore**  
**Q3 23 Net loss was Rs. 10.9 crore and 9M 23 loss was Rs. 16.4 crore**

**Bengaluru, February 06, 2023:** Tejas Networks [BSE: 540595, NSE: TEJASNET] today reported its financial results for the third quarter ended December 31, 2022. Tejas Networks designs, develops, manufactures and sells high-performance telecom and networking products, which are used to build high-speed communication networks.

For Q3-FY23, consolidated net revenue was Rs. 274.6 crore, which was a YoY increase of 156.4%, resulting in a loss before tax of Rs. 5.1 crore as compared to loss of Rs. 32.9 crore, for corresponding previous period. Loss after tax was Rs. 10.9 crore as compared to a loss of Rs. 24.3 crore for corresponding previous period. Effective Q2-FY23 Saankhya Labs and its subsidiaries (Saankhya) financials have been consolidated - and the above revenue includes Rs. 21 crore from Saankhya - for Q3-FY23.

For 9M-FY23, consolidated net revenue was Rs. 620.3 crore, which was a YoY increase of 46.3%, resulting in a loss before tax of Rs. 7.1 crore as compared to a loss of Rs. 21.2 crore, for corresponding previous period. Loss after tax was Rs. 16.4 crore as compared to a loss of Rs. 13.1 crore for corresponding previous period.

Mr. Sanjay Nayak, Managing Director and CEO of Tejas Networks said, "We continue to see strong business momentum with a robust order book of Rs 1,431 crore and a good pipeline of large orders for our optical as well as wireless products. Our revenue growth has been constrained due to shortages of semiconductor chips, many of which still have long-lead times. To mitigate this, we have re-engineered and improved our supply chain processes which has resulted in consistent revenue growth. We continue to increase our investments, especially in the 4G/5G products, in line with our business growth plans".

Mr. Venkatesh Gadiyar, CFO said, "As on December 31, 2022 our cash and cash equivalents, including investment in liquid mutual funds and deposits with financial institutions, were at Rs. 1,221 crore and we continue to be a debt-free Company. On February 03, 2023 we have received an investment of Rs 300 crore from Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited.), towards final subscription of Series-B Warrants, for which equity shares have been allotted on February 06, 2023."

As on December 31, 2022, Tejas and its subsidiaries have filed for 443 patents of which 191 have been granted.

09



### **About Tejas Networks Limited**

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

For more information, visit Tejas Networks Ltd. at <http://www.tejasnetworks.com> or contact  
Investor Relations: [ir@india.tejasnetworks.com](mailto:ir@india.tejasnetworks.com)  
Attn: Mr. Santosh Kesavan: [skeshavan@india.tejasnetworks.com](mailto: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.*

69



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

(in Rs. crore)

	December 31, 2022	March 31, 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	75.51	40.09
Right-of-use assets	46.67	14.56
Intangible assets	81.75	83.20
Intangible assets under development	121.85	39.61
Goodwill	355.23	-
<b>Financial assets</b>		
Trade receivables	10.46	7.07
Other financial assets <sup>1</sup>	8.59	5.71
Current tax asset (net)	40.81	35.63
Deferred Tax Asset	103.77	111.33
Other non-current assets	32.90	23.19
<b>Total non-current assets</b>	<b>877.54</b>	<b>360.39</b>
<b>Current assets</b>		
Inventories	493.75	278.02
<b>Financial assets</b>		
Investments <sup>2</sup>	222.16	401.78
Trade receivables	489.84	285.09
Cash and cash equivalents <sup>3</sup>	51.80	47.56
Other bank balances <sup>4</sup>	620.10	299.68
Other financial assets <sup>5</sup>	356.81	363.16
Other current assets	147.92	74.44
<b>Total current assets</b>	<b>2,382.38</b>	<b>1,749.73</b>
<b>Total assets</b>	<b>3,259.92</b>	<b>2,110.12</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	156.06	117.82
Other equity	2,511.18	1,812.43
<b>Total equity</b>	<b>2,667.24</b>	<b>1,930.25</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	44.98	11.95
Other financial liabilities	153.60	-
Provisions	3.08	0.49
<b>Total non-current liabilities</b>	<b>201.66</b>	<b>12.44</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	6.71	7.81
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	26.40	11.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	287.34	100.09
Other financial liabilities	23.44	22.48
Provisions	17.80	6.92
Other current liabilities	29.33	18.65
<b>Total current liabilities</b>	<b>391.02</b>	<b>167.43</b>
<b>Total equity and liabilities</b>	<b>3,259.92</b>	<b>2,110.12</b>

Supplementary Information

(in Rs. crore)

	December 31, 2022	March 31, 2022
<b>Cash and Cash Equivalents as at</b>		
<sup>1</sup> Other non current financial asset includes Fixed Deposits with banks with remaining maturity of more than twelve months	-	0.22
<sup>2</sup> Investments includes Investment in mutual funds	222.16	401.78
<sup>3</sup> Cash and cash equivalents	51.80	47.56
<sup>4</sup> Other bank balances	620.10	299.68
<sup>5</sup> Other current financial asset includes Deposits with financial institutions	325.00	351.79
<sup>5</sup> Other current financial asset includes Fixed Deposits with banks with original maturity of more than twelve months but remaining maturity of less than twelve months	2.07	1.15
<b>Total</b>	<b>1,221.13</b>	<b>1,102.18</b>

04



Tejas Networks Limited and subsidiaries  
Consolidated Statements of Comprehensive Income for

(in Rs. crore, except share data)

	Quarter ended Dec 31, 2022	Quarter ended Sep 30, 2022	Quarter ended Dec 31, 2021	Nine months ended Dec 31, 2022	Nine months ended Dec 31, 2021	Year ended Mar 31, 2022
Revenue from operations	274.55	219.94	107.06	620.25	424.09	550.59
Other Income	21.00	20.05	16.39	59.74	28.94	43.30
<b>Total Income</b>	<b>295.55</b>	<b>239.99</b>	<b>123.45</b>	<b>679.99</b>	<b>453.03</b>	<b>593.89</b>
<b>Expenses</b>						
Cost of materials consumed	160.54	115.39	62.88	343.33	219.88	290.74
Purchases of stock in trade	9.82	7.08	7.14	25.83	18.22	23.69
Changes in inventories of stock in trade	(2.58)	(3.40)	(1.65)	(5.70)	(3.32)	(3.65)
Employee benefit expense	68.66	48.51	31.36	155.13	93.08	134.43
Finance costs	4.74	4.87	0.78	10.55	2.94	3.19
Depreciation and amortization expense	29.35	25.82	20.22	78.54	54.89	76.78
Allowance for expected credit loss	(12.42)	(8.24)	12.97	(25.37)	19.27	87.76
Other expenses	42.52	39.06	22.66	104.80	69.31	98.08
<b>Total Expenses</b>	<b>300.63</b>	<b>229.09</b>	<b>156.36</b>	<b>687.11</b>	<b>474.27</b>	<b>711.02</b>
<b>Profit/(Loss) before tax</b>	<b>(5.08)</b>	<b>10.90</b>	<b>(32.91)</b>	<b>(7.12)</b>	<b>(21.24)</b>	<b>(117.13)</b>
Current tax	-0.47	1.36	(11.21)	-	(9.58)	0.19
Deferred tax	6.27	8.47	2.60	9.33	1.43	(54.61)
<b>Profit/(Loss) after tax</b>	<b>(10.88)</b>	<b>1.07</b>	<b>(24.30)</b>	<b>(16.45)</b>	<b>(13.09)</b>	<b>(62.71)</b>
<b>Other comprehensive income/(loss)</b>	<b>(1.60)</b>	<b>(2.44)</b>	<b>0.36</b>	<b>(3.87)</b>	<b>(0.71)</b>	<b>(1.19)</b>
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit obligation (Net of tax)	(1.53)	(2.57)	(0.41)	(4.15)	(1.94)	(2.08)
<b>Items that will be reclassified to profit or loss</b>						
Exchange differences on translation of foreign operations	(0.07)	0.13	0.77	0.28	1.23	0.89
<b>Total comprehensive income/(loss) for the period</b>	<b>(12.48)</b>	<b>(1.37)</b>	<b>(23.94)</b>	<b>(20.32)</b>	<b>(13.80)</b>	<b>(63.90)</b>
<b>Earnings/(Loss) per equity share of Rs. 10 each</b>						
Basic (Rs.)	(0.71)	0.07	(2.13)	(1.09)	(1.29)	(5.97)
Diluted (Rs.)	(0.71)	0.07	(2.13)	(1.09)	(1.29)	(5.97)
<b>Weighted average equity shares used in computing earnings per equity share</b>						
Basic	15,24,01,344	15,16,97,417	11,39,73,071	15,09,13,739	10,19,30,255	10,49,66,522
Diluted	15,24,01,344	16,38,91,737	11,39,73,071	15,09,13,739	10,19,30,255	10,49,66,522

As a result of acquisition of controlling interest by the Company in Saankhya and by Saankhya Labs in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated results for the Quarter and Nine Months ended December 31, 2022 includes the contribution from those entities as below:

Particulars	Quarter ended Dec 31, 2022	Nine months ended Dec 31, 2022
Revenue from Operations	20.94	34.81
Profit / (Loss) before Tax	(13.46)	(18.77)
Profit / (Loss) after Tax	(13.45)	(18.73)

09

**Tejas Networks Limited**

Registered and Corporate Office: I.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

Extract of Unaudited Consolidated Results for the quarter and nine months ended December 31, 2022

Sl. No.	Particulars	(Rs. in crore except per share data)		
		Quarter ended December 31, 2022	Nine months ended December 31, 2022	Quarter ended December 31, 2021
1	Total Income from operations*	274.55	620.25	107.06
2	Net Profit/(Loss) before tax	(5.08)	(7.12)	(32.91)
3	Net Profit/(Loss) after tax	(10.88)	(16.45)	(24.30)
4	Total Comprehensive Income/(Loss) for the period (Comprising Profit/(Loss) for the period after tax and Other Comprehensive Income/(Loss) after tax)	(12.48)	(20.32)	(23.94)
5	Equity Share Capital (Face value of Rs. 10/- each)	156.06	156.06	117.19
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	-	-
7	Earnings/(Loss) per equity share (of Rs. 10/- each)			
	(i) Basic Rs.	(0.71)	(1.09)	(2.13)
	(ii) Diluted Rs.	(0.71)	(1.09)	(2.13)

**Notes**

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

Particulars	Quarter ended	Nine months ended	Quarter ended
	December 31, 2022	December 31, 2022	December 31, 2021
Total Income from operations*	253.29	584.69	107.04
Net Profit/(Loss) before tax	11.18	17.35	(32.66)
Net Profit/(Loss) after tax	5.39	7.99	(24.05)

\* excludes other income

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](http://www.tejasnetworks.com)).
3. During the quarter ended December 31, 2022, the Group continued to face delays in executing certain orders-in-hand, due to increased lead-time for sourcing semiconductor components, arising post COVID-19. Based on current assessment, management is of the view that some uncertainty is likely to continue for the next few quarters, till the demand-supply situation in the semiconductor component industry stabilises. Management has taken into account all possible impact of known events arising from COVID-19 pandemic and supply constraints in making this assessment and has concluded that no further adjustments are considered necessary. The above impact assessment is however a continuing process given the uncertainties associated with its nature and duration. The Group will continue to closely monitor any material changes to future economic conditions.
4. In July 2017, Income Tax Department initiated proceedings under section 132 of the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19. During the year 2019-20, 2020-21 and 2022-23 certain other agencies sent notices as part of their inquiries, which were duly responded / attended by the Company and its officials. In FY 2019-20, the Income Tax assessments for AY 2012-13 to 2018-19 were carried out and the Company received Income Tax demands for Rs. 25.62 crore (after adjusting carry forward losses of earlier years) and Rs. 0.48 crore for AY 2017-18 and AY 2018-19, respectively. Pursuant to the Company's application for rectification of certain errors in the aforesaid orders, during the quarter ended September 30, 2020, the Company received rectification orders for AY 2012-13 to AY 2018-19 under section 154 of the IT Act. Certain brought forward losses which were not considered in the earlier demand orders were allowed and other computation errors were corrected in the rectification orders resulting in a cumulative net refund position. The Company has also filed appeal against the orders for the aforementioned assessment years disputing certain disallowances. The



## Tejas Networks Limited

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

management is of the view that the outcome of these proceedings/ notices has no material adverse impact on the Group's financial results.

5. During FY 2018-19 and 2019-20, the Company received demand orders for Rs. 42.92 crore towards additional duty and penalty from the Customs Excise and Service Tax Appellate Tribunal (CESTAT) on the applicability of excise duty on software used in the multiplexer products pertaining to FY 2002-03 to FY 2009-10. Further, an additional penalty on certain officers of the Company amounting to Rs. 0.90 crore was raised. The Company has filed a stay application before the Honourable Supreme Court and has also filed an appeal before CESTAT.

During the previous year the Company received a demand order for Rs. 3.32 crore for FY 2010-11 to FY 2013-14 on similar matters. The Company has filed appeals with the concerned authorities. Based on an assessment, supported by an external legal opinion, Management has concluded that the Company has a strong case to defend its position in the above matters and accordingly, no provision has been made in this regard.

6. Pursuant to a definitive agreement entered into by the Company with Saankhya Labs Private Limited (Saankhya Labs) and its shareholders on March 30, 2022, the Company acquired majority stake in Saankhya Labs Private Limited on July 1, 2022. The Company at various dates acquired 64.40% of equity shares in aggregate through secondary purchase at a price of Rs. 454.19 per equity share amounting to 283.94 crore.

On July 08, 2022, Saankhya Labs has acquired 100% Shareholding in Saankhya Strategic Electronics Private Limited (SSE) which was incorporated with the main objective to develop, maintain and service all types of communication systems, electronic products, semiconductor integrated circuits/chips, micro controllers, digital signal processors, processing algorithms, embedded software and related hardware and software. Consequent to such acquisition SSE has become a wholly-owned subsidiary of Saankhya Labs and a step-down subsidiary of the Company with effect from July 08, 2022.

As a result of acquisition of controlling interest by the Company in Saankhya and by Saankhya Labs in SSE with effect from July 1, 2022 and July 8, 2022 respectively, the consolidated results for the quarter and nine months ended December 31, 2022 includes the contribution from those entities as below:

Particulars	Quarter ended	Nine months ended
	December 31, 2022	December 31, 2022
Revenue from Operations	20.94	34.81
Profit / (Loss) before Tax	(13.46)	(18.77)
Profit / (Loss) after Tax	(13.45)	(18.73)

The fair value of assets and liabilities acquired have been provisionally determined by the Company and accounted for in accordance with IND AS 103 Business Combination. Results for the quarter and nine months ended December 31, 2022, include the impact of the above transaction and are not comparable with previous corresponding periods.

7. The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the Draft Scheme of Amalgamation of Saankhya Labs and SSE, with the Company and the respective stakeholders (the "Scheme"). The Company has filed the scheme with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 30, 2022. Upon implementation of the scheme, the shareholders holding remaining 35.60% equity shares in Saankhya Labs Private Limited will be issued 112 equity shares of the Company for every 100 equity shares held in Saankhya Labs Private Limited. The Scheme is subject to receipt of necessary approvals from the National Company Law Tribunal (NCLT), Stock Exchanges, the Securities and Exchange Board of India (SEBI), Shareholders, Creditors and such other persons and authorities, as may be required. Till such approvals are received, Saankhya Labs and SSE will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.

For and on behalf of the Board of Directors

Sanjay Nayak

CEO and Managing Director

(DIN: 01049871)

Place: Bengaluru

Date: February 06, 2023