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TEJAS NETWORKS LIMITED

Our Company was originally incorporated as Tejas Networks India Private Limited on April 24, 2000 at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company and its name was changed to Tejas Networks India Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Karnataka ("RoC") on October 23, 2002. Thereafter, the name of our Company was changed to Tejas Networks Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on March 18, 2008. For details in relation to the change in the name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 165 of the Red Herring Prospectus dated June 05, 2017 (the "RHP").

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

Contact Person: Krishnakanth G. V., Company Secretary and Compliance Officer; **Tel:** +91 80 4179 4600; **Fax:** +91 80 2852 0201
E-mail: corporate@tejasnetworks.com; **Website:** www.tejasnetworks.com; **Corporate Identity Number:** U72900KA2000PLC026980

Our Company is a professionally managed company and does not have an identifiable promoter either in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), or in terms of the Companies Act, 2013

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF TEJAS NETWORKS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [•] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 4,500 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,711,605 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE RHP) AGGREGATING UP TO ₹ [•] MILLION ("OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO [•] % OF THE POST-OFFER ISSUED EQUITY SHARE CAPITAL OF OUR COMPANY.

Price Band: : ₹ 250 to ₹ 257 per Equity Share of face value of ₹ 10.00 each.

The Floor Price is 25.0 times the face value and the Cap Price is 25.7 times the face value. • Bids can be made for a minimum of 55 Equity Shares and in multiples of 55 Equity Shares thereafter.

Risks to Investors:

- The 4 Merchant Bankers associated with the Offer have handled 31 public issues in the past three years out of which 6 issues closed below the issue price on listing date.**
- There are no listed peers.**
- The Price/ Earnings ratio based on basic and diluted EPS of ₹ 7.92 and ₹ 9.40 for the Issuer in the Fiscal 2017 at the upper end of the Price band is as high as 32.45 and 27.34 respectively, as compared to S&P BSE SENSEX index Price/Earnings ratio of 22.65 (as on June 5, 2017).**
- The average cost of acquisition per Equity Share of selling shareholders i.e. Cascade Capital Management Mauritius is ₹ 67.44 (Equity Shares acquired during FY 2004-05 to 2015-16), India Industrial Growth Fund Limited is ₹ 114.04 (Equity Shares acquired during FY 2009-10 to 2015-16), Intel Capital (Cayman) Corporation is ₹ 40.39 (Equity Shares acquired during FY 2001-02 to 2007-08), Sandstone Private Investments is ₹ 103.63 (Equity Shares acquired during FY 2006-07 & 2007-08), Osher LP is ₹ 86.29 (Equity Shares acquired during FY 2012-13 to 2016-17) and of Mr. Sanjay Nayak, our MD & CEO is ₹ 24.42 (Equity Shares acquired during FY 2000-01 to 2017-18).**

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 25.0 times the face value at the Floor Price and 25.7 times the face value at the Cap Price of the Price Band.

Investors should also refer to "Our Business", "Risk Factors" and "Financial Statements" on pages 143, 19 and 189, of the RHP respectively, to have an informed view before making an investment decision.

Qualitative Factors : Some of the qualitative factors which form the basis for the Offer Price are: • Our end-to-end portfolio of optical networking products positions us well to take advantage of the expected industry growth; • Leadership in the fast growing Indian optical equipment market; • Track record and culture of innovation leading to product and technology leadership; • Software defined hardware with ease of use; • Cost and capital efficient business model; • Long standing customer relationships with strong repeat business; and • Strong professionally managed team with significant industry experience.

For further details, see "Our Business - Our Competitive Strengths" on page 144 of the RHP.

Quantitative Factors : The information presented below relating to our Company is based on the Standalone Restated Financial Information and the Consolidated Restated Financial Information prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see "Financial Statements" on page 189 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS")

As per our Standalone Restated Financial Information:

Financial Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	(2.69)	1	(2.69)	1
March 31, 2016	4.46	2	4.13	2
March 31, 2017	7.92	3	7.92	3
Weighted Average	5.00		4.89	

As per our Consolidated Restated Financial Information:

Financial Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	(2.90)	1	(2.90)	1
March 31, 2016	4.71	2	4.36	2
March 31, 2017	9.40	3	9.40	3
Weighted Average	5.79		5.67	

Notes:

- Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly
- The ratios have been computed as below:
 - Basic EPS (in ₹) = Net profit, after tax attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year
 - Diluted EPS (in ₹) = Net profit, after tax / Weighted average number of diluted Equity Shares outstanding during the year
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year
- The above statement should be read with "Summary of Significant Differences Between Indian GAAP and Ind AS" and "Financial Statements" on pages 326 and 189, of the RHP respectively

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 250 to ₹ 257 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for FY 2017 on Standalone Restated Financials	31.57	32.45
Based on basic EPS for FY 2017 on Consolidated Restated Financials	26.60	27.34
Based on diluted EPS for FY 2017 on Standalone Restated Financials	31.57	32.45
Based on diluted EPS for FY 2017 on Consolidated Restated Financials	26.60	27.34

For further details, see "Basis for Offer Price" beginning on page 113 of the RHP

**BID/
OFFER**

OPENS ON WEDNESDAY, JUNE 14, 2017¹

CLOSES ON FRIDAY, JUNE 16, 2017

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date

ASBA* | Simple, Safe, Smart way of Application

*Application supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same.

For further details, check section on ASBA below.

Mandatory in public issues from January 1, 2016. No cheque will be accepted.


In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Member and by intimation to Self Certified Syndicate Banks ("SCSBs") and the Registered Brokers.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") and in accordance with Regulation 26(2) of the SEBI ICDR Regulations, the Offer is being made through the Book Building Process, wherein at least 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion") at the Anchor Investor Allocation Price. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts which will be blocked by the SCSBs to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 391 of the RHP.

Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories.

These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer. (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

Contents of the Memorandum of the Company as regards its Objects: For information on the main objects and other objects of the Company, see "History and Certain Corporate Matters" on page 165 of the RHP and Clause III of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, see the section "Material Contracts and Documents for Inspection" on page 514 of the RHP.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER	
					
Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli Mumbai 400 025, Maharashtra, India Tel: +91 22 4325 2183 Fax: +91 22 4325 3000 E-mail: tejas.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Kanika Goyal SEBI registration number: INM000012029	Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Center, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 098, Maharashtra, India Tel: +91 22 6175 9999; Fax: +91 22 6175 9961 E-mail: tejasnetworks.ipociti.com Investor grievance e-mail: investors.cgmb@citigroup.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact person: Rahul Roy SEBI registration number: INM000010718	Edelweiss Financial Services Limited 14th Floor, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: tn.ipoc@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Nishita John/Yash Modi SEBI registration number: INM0000010650	Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel.: +91 22 4037 4037; Fax: +91 22 4037 4111 E-mail: tejasipo@nomura.com Investor grievance e-mail: investorcompliances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Contact person: Sumit Sukhramani/ Aneasha Chandra SEBI registration number: INM000011419	Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: tn.li.ipo@linkintime.co.in Investor grievance e-mail: tn.li.ipo@linkintime.co.in Website: www.linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration number: INR000004058	Krishnakanth G. V. Tejas Networks Limited, J. P. Software Park, Plot No 25 Sy. No. 13, 14, 17 & 18, Konnapana Agrahara Village Begur Hobli, Bengaluru 560 100, Karnataka, India Tel: +91 80 4179 4600; Fax: +91 80 2852 0201 E-mail: krishnakanth@tejasnetworks.com Website: www.tejasnetworks.com Bidders can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letter of allotment, non-credit of Allotted Equity Shares in the respective beneficiary account or non-receipt of refund intimations and non-receipt of funds by electronic mode.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP, and the Risk Factors, contained therein before applying in the Offer. Full copy of the RHP is available at website of SEBI at www.sebi.gov.in, BSE at www.bseindia.com, NSE at www.nseindia.com and the websites of the Book Running Lead Managers to the Offer ("BRLMs"), i.e. www.axiscapital.co.in, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.edelweissfin.com, www.nomuraholdings.com/company/group/asia/india/index.html, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid-cum-Application Forms can be obtained from the Registered Office of **TEJAS NETWORKS LIMITED**, BRLMs: **Axis Capital Limited**, Tel: +91 22 4325 2183, Fax: +91 22 4325 3000; **Citigroup Global Markets India Private Limited**, Tel: +91 22 6175 9999, Fax: +91 22 6175 9961; **Edelweiss Financial Services Limited**, Tel: +91 22 4009 4400, Fax: +91 22 4086 3610; **Nomura Financial Advisory and Securities (India) Private Limited**, Tel: +91 22 4037 4037, Fax: +91 22 4037 4111 and the select locations of the Sub-syndicate Members, SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. Bid-cum-Application Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-syndicate Members: Axis Securities Limited, Achivers Equities Limited, Acumen Capital Market India Limited, Almondz Global Securities Limited, Amit Jasani Financial Services Pvt Limited, Amrapali Capital & Finance Services Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consultancy, Anil Dhulia, ANS Pvt Limited, Asit C Mehta Investments Intermediates Limited, Ashika Stock Broking Limited, Ashwani Dandia & Co, Centrum Broking Limited, Dalal & Broacha Stock Broking Pvt Limited, Edelweiss Broking Limited, Eureka Stock & Share Broking Services Limited, G Raj & Co. (Consultants) Limited, HDFC Securities Ltd., IDBI Capital Limited, ICICI Securities Ltd, India Infoline Limited, Indiabull Ventures Limited, Inventure Growth & Securities Limited, Jhaveri Securities, JM Financial Services Limited, K Motiram Vakli, Kalpataru Multiplier Limited, Kamlesh D Joshi, Karvy Stock Broking Limited, Keynote Capital Limited, KJMC Capital Market Services Limited, Lakshminshree Investment & Securities Pvt Limited, LKP Securities Limited, Marwadi Shares & Finance, Mehta Equities Limited, Motilal Oswal Securities Limited, MPSE Securities Limited, MSM Enterprise, Mukesh D Joshi, NDA Securities Limited, Nirmal Bang Securities Pvt Limited, O J Financial Services Limited, Ohm Securities Limited, Patel Wealth Advisors Pvt Limited, Prabhudas Laddhkar Pvt Limited, Pravin Ratilal Share & Stock Brokers Limited, PRL Stock & Share Brokers Pvt Limited, Raghunandan Capital Pvt Limited, Religare Securities Limited, Reliance Securities Ltd, RR Equity Brokers Pvt Limited, RSG Share & Stock Brokers Limited, Sharekhani Limited, SMC Global Securities Limited, SS Corporate Securities Limited, Standard Chartered Securities (I) Limited, Swastika Investmart Limited, Tanna Financial Services, Viren M Shah and Way2wealth Brokers Pvt Limited.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors may apply through the ASBA process. ASBA can be availed by all the investors except Anchor Investors. Non retail investors have to compulsorily apply through ASBA. For details on the ASBA process, please refer to the details given in ASBA Form and Abridged Prospectus and also please refer to the section "Offer Procedure" beginning on page 391 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA form can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Form can be obtained from Members of the Syndicate, SCSBs, Registered Brokers, RTAs and CDPs, the list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/ist/5/33/0/0/Recognised-Intermediaries.

Escrow Collection Bank, Refund Bank and Public Offer Account Bank: Axis Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place : Bengaluru
Date : June 06, 2017

TEJAS NETWORKS LIMITED is proposing, subject to applicable statutory and regulatory requirement, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the RoC. The RHP is available on the website of SEBI at www.sebi.gov.in, as well as on the websites of the BRLMs, i.e. at www.axiscapital.co.in, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.edelweissfin.com, www.nomuraholdings.com/company/group/asia/india/index.html, and the websites of the Stock Exchanges at BSE at www.bseindia.com and NSE at www.nseindia.com. Potential investors should note that investment in Equity Shares involves a high degree of risk, and for details relating to such risks, potential investors should refer to the section titled "Risk Factors" beginning on page 19 of the RHP.

These materials are not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). These materials are not an offer of securities for sale into the United States, Canada or Japan. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

For **TEJAS NETWORKS LIMITED**
On behalf of the Board of Directors
Sd/-

Company Secretary and Compliance Officer