October 29, 2025

Tejas Networks Limited: Update on Material Event

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long Term/Short Term - Fund based limits	4996.0	4709.0	[ICRA]A+(Stable)/[ICRA]A1+; outstanding
Long Term/Short Term – Non Fund based facilities	40.0	40.0	[ICRA]A+(Stable)/[ICRA]A1+; outstanding
Long Term/Short Term – Unallocated limits	64.0	101.0	[ICRA]A+(Stable)/[ICRA]A1+; outstanding
Long Term – Term Loan	900.0	1150.0	[ICRA]A+(Stable); outstanding
Total	**6000.0**	**6000.0**	

**Instrument details are provided in Annexure I*

Rationale

Material Event

Tejas Networks Limited (TNL), announced its financial results of Q2FY2026 and H1FY2026 on October 17, 2025. The company reported consolidated operating income of Rs.463.8 crore with operating losses (OPBITDA) of Rs. 429.4 crore and Profit after tax losses (PAT) of Rs. 501.0 crore in H1FY2026. The profitability was impacted in H1FY2026 on account of reduced scale with delays in receipt of orders along with high provisions of around Rs.201 crore pertaining to inventory and warranty.

Impact of Material Event

ICRA takes note of the revenues and operating losses in H1FY2026. However, ICRA expects the company's performance to improve gradually. Further, the company maintains strong liquidity in the form of cash and liquid investments of over Rs. 406 crore as on September 30, 2025 along with sizeable undrawn limits. TNL's credit profile is supported by the strong parentage of Panatone Finvest Limited (PFL), which is subsidiary of Tata Sons Private Limited {TSPL; rated [ICRA]AAA(Stable)/[ICRA]A1+} and an investment holding company of Tata Group. ICRA will continue to monitor the developments in this regard and take appropriate action, if necessary.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: Click here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent Company: Panatone Finvest Limited (PFL; Tata Sons Private Limited holds 99.99% stake in PFL).ICRA expects PFL to be willing to extend financial support to TNL, should there be a need, given its strategic importance to the Tata Group
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TNL

About the company

TNL, incorporated in 2000, designs and manufactures wireline and wireless networking products, with a focus on technology, innovation and R&D. TNL carrier-class products are used by telecom service providers, utilities, Governments, and defense networks in more than 75 countries. TNL has an extensive portfolio of telecom products for building end-to-end telecom network. The company completed its IPO in 2017 and is currently a part of Panatone Finvest Limited (a subsidiary of Tata Sons Private Limited).

Key financial indicators (audited)

TNL (consolidated)	FY2024	FY2025	H1FY2026*
Operating income	2,470.9	8,923.2	463.8
PAT	63.0	446.5	-501.0
OPBDIT/OI	11.1%	14.1%	-92.6%
PAT/OI	2.5%	5.0%	-108.0%
Total outside liabilities/Tangible net worth (times)	1.6	1.7	1.9
Total debt/OPBDIT (times)	6.8	2.7	-5.0
Interest coverage (times)	5.7	5.0	-2.7

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; *results*

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current rating (FY2026)					Chronology of rating history for the past 3 years					
		FY2026					FY2025		FY2024		FY2023	
		Type	Amount rated (Rs. Crore)	Oct 29, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
1	**Fund-based limits**	Long term/ Short term	4709.0	**[ICRA]A+ (Stable)/ [ICRA]A1+**	June 10, 2025	[ICRA]A+(Stable)/ [ICRA]A1+	Mar 31, 2025	[ICRA]A+ (Stable)/ [ICRA]A1+	Apr 10, 2023	[ICRA]A+ (Stable)/ [ICRA]A1+	Apr 07, 2022	[ICRA]A+ (Stable)/ [ICRA]A1+
						-	Jul 23, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+	-	-	-	-
2	**Non-fund based facilities**	Long term/ Short term	40.0	**[ICRA]A+ (Stable)/ [ICRA]A1+**	June 10, 2025	[ICRA]A+(Stable)/ [ICRA]A1+	Mar 31, 2025	[ICRA]A+ (Stable)/ [ICRA]A1+	Apr 10, 2023	[ICRA]A+ (Stable)/ [ICRA]A1+	Apr 07, 2022	[ICRA]A+ (Stable)/ [ICRA]A1+
						-	Jul 23, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+	-	-	-	-

3	**Unallocated limits**	Long term/ Short term	101.0	**[ICRA]A+ (Stable)/ [ICRA]A1+**	June 10, 2025	[ICRA]A+(Stable)/ [ICRA]A1+	Mar 31, 2025	[ICRA]A+ (Stable)/ [ICRA]A1+	Apr 10, 2023	[ICRA]A+ (Stable)/ [ICRA]A1+	Apr 07, 2022	[ICRA]A+ (Stable)/ [ICRA]A1+
						-	Jul 23, 2024	[ICRA]A+ (Stable)/ [ICRA]A1+	-	-	-	-
4	**Term loan**	Long term	1150.0	**[ICRA]A+ (Stable)**	June 10, 2025	[ICRA]A+(Stable)	Mar 31, 2025	[ICRA]A+ (Stable	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Long Term/Short Term - Fund based limits	Simple
Long Term/Short Term – Non Fund based facilities	Very Simple
Long Term/Short Term – Unallocated limits	Not Applicable
Long Term – Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA’s website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Fund based limits**	NA	NA	NA	4709.0	[ICRA]A+(Stable)/[ICRA]A1+
NA	**Non Fund based facilities**	NA	NA	NA	40.0	[ICRA]A+(Stable)/[ICRA]A1+
NA	**Unallocated limits**	NA	NA	NA	101.0	[ICRA]A+(Stable)/[ICRA]A1+
NA	**Term Loan - I**	Jul 07, 2024	NA	Dec 31, 2027	400.0	[ICRA]A+(Stable)
NA	**Term loan - II**	Mar 10, 2025	NA	April 30, 2029	500.0	[ICRA]A+(Stable)
NA	**Term loan - III**	April 15, 2025	NA	Dec 12, 2029	250.0	[ICRA]A+(Stable)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	TNL Ownership	Consolidation approach
Tejas Communication Pte. Limited	100.0%	Full Consolidation
Tejas Communication (Nigeria) Limited	100.0%	Full Consolidation
Saankhya Labs Inc.	100.0%	Full Consolidation

Source: Company data; Tejas Communications (Nigeria) Limited (wholly-owned subsidiary of Tejas Communication Pte. Limited and step-down subsidiary of TNL)

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