TEJAS ®
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RESEARCH REPORT ON

TEJAS NETWORKS LTD

KEYPEOPLE : Anand Athreya (CEO & MD)

FOUNDED : 2000

HEADQUATER : Bangalore, Karnataka, India

REVENUE   : ₹2,535.58 crore (approx.)

DATE OF REPORT : 19/10/2024

About Tejas Networks Ltd

Tejas Networks Ltd is an India-based telecommunications and networking

company, specializing in the development, design, and sale of high-performance

optical and data networking products. It provides solutions for high-speed

broadband networks that cater to telecommunications companies,

internet service providers, utilities, and government entities both in India and

internationally. The company is recognized for its innovation and expertise in

offering world-class hardware and software products that facilitate network

expansion and modernization, crucial for both wired and wireless

telecommunications.

Tejas Networks plays a key role in the broader digital infrastructure domain,

providing solutions that support telecommunications infrastructure,

particularly in high-growth areas like fiber-optic networks, 5G networks,

and broadband internet services.

CASH CALL – BUY Tejas Networks Ltd

BUY   : 1180
TGT   : 1298
SL   : 1062

Mr. Kundan Mishra

Research Analyst

CASH CALL BUY AT 1180
1ST TARGET 1298
SL 1062

COMPANY OVERVIEW

Market cap	₹ 20,341 Cr.
Face value(Rs)	₹ 10.0
P/E ratio	44.8
Book value	₹ 217
52 week high	₹ 1,495
52 week low	₹ 651
Return on Equity(ROE)	2.06 %

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Key Points of Tejas Networks Ltd

Key Products and Services:

Tejas Networks primarily focuses on three core product lines:

Optical Networking Products (Optical Transport): These products form the backbone for telecom networks, supporting high-capacity data transmission over fiber-optic cables. This includes products for metro and long-distance networks as well as network management software.

Broadband Access Products: These products include solutions for fiber-based broadband access, commonly known as GPON (Gigabit Passive Optical Network) technology, which supports high-speed internet and triple-play services (voice, video, and data) for residential and enterprise customers.

Packet Switching Products: Tejas also offers packet transport solutions, crucial for the transport of data, video, and voice over IP-based networks.

Their hardware solutions are software-programmable, which provides greater flexibility and scalability, allowing customers to upgrade their networks without replacing the hardware.

Financial Performance:

Tejas Networks has seen consistent growth in revenue over recent years, largely driven by domestic demand for optical networking equipment and international expansion. However, its profitability has been impacted by increasing competition, especially from larger global players. The company's financials received a significant boost following the acquisition by the Tata Group, which provided both capital infusion and strategic direction

Tejas Networks Ltd owned by Mutual Funds 6Last Quarter

	Dec 23 No. of shares	Sep 23 No. of shares
TOTAL	7416913	7357614

NOTE:-

For schemes that have not disclosed the number of shares, the same has been calculated on the basis of the closing price of the stock on the BSE/NSE as on the portfolio date. The increase/decrease in the share quantity besides the fund buying or selling the shares from the market, could also be due to any bonus, split, rights, or restructuring in the company.

Financial Highlights of Tejas Networks Ltd

Financial highlights refers to a section appearing in an annual report that includes a multi-year comparison of operating and business metrics. Financial highlights are often times the first section appearing in an annual report, providing investors with an at-a-glance view of the company's recent performance.

The information contained in an annual report is normally audited by the company's accounting firm and includes financial highlights, a Chairperson's Letter as well as the Form 10-K. The financial highlights section of the report usually contains performance over the last several years in addition to the percentage change in each metric overtime.

Price / EPS	115.45
EPS (TTM)	₹ 10.30
No. of Shares	17.13 Cr.
Profit Growth	2,596.71 %
Dividend / Yield	0 %
Price / Book	6.47
Enterprise Value	₹ 21,869.37 Cr.
Sales Growth	172.14%

Key Ratio of Tejas Networks Ltd

Key ratio of Tejas Networks Ltd

specifically designed to help traders gauge the overall sentiment (mood) of the market. The ratio is calculated either on the basis of options trading volumes or on the basis of the open interest for a particular period. If the ratio is more than ,it means that more puts have been traded during the day and if it is less than 1, it means more calls have been traded. The PCR can be calculated for the options segment as a whole, which includes individual stocks as well as indices.

Financial ratios are important tools for quantitative analysis. Certain ratios are available to evaluate both short and long-term financial and operational performance, making them useful at identifying trends in the business and providing warning signs when it may be time to make a change. There are also specific ratios that can measure important variables essential to one industry or another. By evaluating particular ratios, a business can benchmark itself against similar companies and understand its strengths, weaknesses, threats and areas of opportunity.

Price to Earning	123.60
Price to Book	6.74
Price to Sales	5.36
Shareholders Equity	38.40
Return On Equity	5.45
Return On Asset	2.80
Net Profit Margin	4.34
Operating Profit Margin	8.56
EBITDA Margin	15.61
Debt to Equity Ratio	0.556
Cash Ratio	0.179
Quick Ratio	0.640

Key Technical Indicators of Tejas Networks Ltd

Technical indicators are heuristic orpattern-based signals produced by theprice, volume, and/or open interest of a security or contract used by traders who follow technical analysis.

In general, technical indicators fit into five categories: trend, mean reversion, relative strength, volume, and momentum.

Leading indicators attempt to predict where the price is headed while lagging indicators offer a historical report of background conditions that resulted in the current price being where it is.

Indicator	Value
ADX	Adx : 18.41, +DI : 20.30, -DI : 20.92
Aroon	Aroon Up : 0, Aroon Down : 100.00
Awesome Osc	-61.89
MACD	Macd : -23.49, Signal Line : -24.42
Parabolic SAR	1231.65
Rate Of Change	3.29
Super Trend	1267.04

Key Moving Average of Tejas Networks Ltd

A moving average (MA) is a stock indicator that is commonly used in technical analysis. The reason for calculating the moving average of a stock is to help smooth out the price data over a specified period of time by creating a constantly updated average price.

EMA	Value
EMA 5	1170.87
EMA 10	1177.14
EMA 15	1185.44
EMA 20	1194.15
EMA 50	1227.12
EMA 100	1208.97
EMA 200	1113.31

A simple moving average (SMA) is a calculation that takes the arithmetic mean of a given set of prices over the specific number of days in the past; for example, over theprevious 15, 30, 100, or 200 days.

SMA	Value
SMA 5	1173.88
SMA 10	1173.39
SMA 15	1177.87
SMA 20	1191.54
SMA 50	1241.37
SMA 100	1280.78
SMA 200	1068.2

Exponential moving averages (EMA) is a weighted average that gives greater importance to the price of a stock on more recent days, making it an indicator that is more responsive to new information.

Daily Candle Stick Chart Pattern

Weekly Candle Stick Chart Pattern

Monthly Candle Stick Chart Pattern
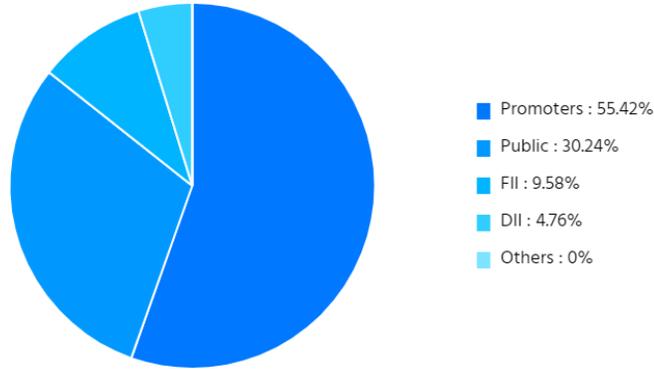
Tejas Networks Ltd Ltd Mutual Fund Holdings

Pivot	S2	S 1	Pivot point	R 1	R 2
Fibonacci	1098.35	1125.53	1169.52	1213.50	1240.68

S1 – First Support Level,   R1 - First Resistance Level,   S2 – Second Support Level, R2 – SecondResistance Level

Tejas Networks Ltd Technical Views

50 Day EMA	Close is Above EMA 50 (Short Term)	Bullish
100 Day EMA	Close is Above EMA 100 (Mid Term)	Bullish
200 Day EMA	Close is Above EMA 200 (Long Term)	Bullish
MACD (12 26 9)	MACD Line is Less Then SIGNAL Line	Bearish
RSI (14)	RSI is Below 30	Over Sold
MFI (14)	MFI is 22.93	Sideways
CCI (20)	CCI is Below -100	Over Sold
WILLIAM %R (14)	William %R is Below -80	Over Sold
ADX (14)	ADX is Above 20 & +DI is Below -DI	Down Trend
PSAR	Stoploss For Long Buy	48.39
10 Day Avg Volume	Traded -27.88 % Less then 10 Day Average Volume	

Shareholding Pattern of Tejas Networks Ltd

- Promoters : 55.42%
- Public : 30.24%
- FII : 9.58%
- DII : 4.76%
- Others : 0%

Peer Comparison of Tejas Networks Ltd

COMPANY	PRICE Rs.	MCAP Cr.	P/B	P/E	EPS Rs.	ROE %	ROCE %	P/S	EV/EBITDA
ITI	240.05	23,066.09	13.91	0	-5.80	-28.58	-8.44	18.25	-101.77
Tejas Networks	1,187.70	20,340.62	5.47	44.74	26.55	2.74	3.99	8.58	20.88
Black Box	502.50	8,445.77	27.19	0	-1.02	-4.67	1.64	21.84	765.29
Avantel	175.59	4,271.57	20.78	69.22	2.54	40.00	48.74	19.08	44.66
ADC India Communicat	1,815	834.90	10.73	30.10	60.29	33.68	45.22	4.67	21.11
Frog Cellsat	373.40	578.11	4.35	39.97	9.34	12.28	15.74	3.67	25.95
Valiant Communicatns	691	527.10	10.15	61.63	11.21	16.70	21.81	11.53	36.21

Share Price History of Tejas Networks Ltd

Date	Price	Open	High	Low	Vol.	Change %
18-10-2024	1,187.70	1,119.20	1,218.00	1,102.85	2.62M	5.54%
17-10-2024	1,125.40	1,149.00	1,149.00	1,119.15	472.42K	-3.29%
16-10-2024	1,163.65	1,193.05	1,197.85	1,157.00	263.17K	-2.21%
15-10-2024	1,189.95	1,206.00	1,207.15	1,182.55	261.02K	-1.06%
14-10-2024	1,202.70	1,191.75	1,220.00	1,189.00	184.02K	1.11%
11/10/2024	1,189.50	1,190.00	1,211.40	1,185.00	194.45K	0.08%
10/10/2024	1,188.60	1,181.30	1,233.95	1,181.30	441.58K	0.78%
9/10/2024	1,179.40	1,190.05	1,208.25	1,171.80	284.10K	-0.96%
8/10/2024	1,190.80	1,116.95	1,194.70	1,115.20	387.67K	6.68%
7/10/2024	1,116.25	1,193.55	1,201.90	1,105.30	572.71K	-6.18%
4/10/2024	1,189.75	1,153.90	1,207.80	1,133.55	754.42K	3.47%
3/10/2024	1,149.90	1,175.50	1,184.30	1,148.50	302.05K	-2.84%
1/10/2024	1,183.50	1,200.00	1,211.00	1,174.65	218.69K	-1.12%
30-09-2024	1,196.85	1,215.00	1,219.00	1,188.00	215.80K	-1.42%
27-09-2024	1,214.05	1,230.10	1,237.90	1,212.00	220.82K	0.14%
26-09-2024	1,212.35	1,230.00	1,233.00	1,206.00	255.36K	-1.45%
25-09-2024	1,230.15	1,274.00	1,284.90	1,226.00	249.96K	-2.82%
24-09-2024	1,265.85	1,246.20	1,268.25	1,227.35	485.23K	2.56%
23-09-2024	1,234.30	1,228.00	1,273.00	1,228.00	382.82K	1.16%
20-09-2024	1,220.10	1,243.05	1,253.25	1,215.00	259.09K	-1.51%
19-09-2024	1,238.75	1,238.50	1,276.00	1,194.00	317.30K	0.54%

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