



Chairman's Speech

Dear Shareholders,

Good afternoon!

As your chairperson, I take pleasure in welcoming you all your Company's 23rd Annual General Meeting. On behalf of the Board of Directors, and everyone at Tejas Networks Limited, I would like to thank you for the trust and confidence that you have placed and look forward to your continued support to the board of directors and the Management.

The Annual Report for year ended 31st March 2023, along with the Directors' Report and audited Annual Accounts of the Company, have been shared with you, and may I request that these be taken as read.

I would now like to outline the salient aspects of your Company's financial and operational performance for the fiscal year 2022-23, followed by an overview of the overall business environment.

Performance Highlights

During FY23, we successfully navigated supply chain challenges, continued our investments in the wireless product development and successfully participated in the PoC Phase for the BSNL 4G/5G opportunity. The summary of our FY23 financial performance on a consolidated basis is as follows.

- Net Revenue was at ₹ 919.6 crore: YoY growth of 67%
- Loss After Tax was ₹ 36.4 crore
- Net Working Capital increased to ₹ 935 crore, mainly due to increased inventory levels
- Our Order Book at year-end was ₹ 1,934 crore, mainly driven by optical product wins.
- ₹ 1,306 crore in cash and cash equivalents with no debt.

During the year, we significantly expanded our manufacturing capacity by signing up four new EMS (Electronics Manufacturing Services) partners in India, so that we not only are geared to successfully execute the orders on hand but also lay the foundation to scale our business over the coming years. Your company has also been declared eligible under the design linked PLI scheme and our investment outlay under this scheme period is expected to be ₹ 750 cr.



The integration of Saankhya Labs with Tejas is progressing well in line with our strategic transformation agenda. This transformation would lead to your company becoming a telecom OEM of significance by (a) building reliable and high-performing telecom equipment, (b) the products are differentiated by being software driven and (c) with a strong sense of innovation towards our sustainability goals.

Becoming a global telecom OEM requires deep expertise in multiple domains, a strong product management function, commitment to international standards both for contribution and to adoption, long-term investment outlook, and solid customer endorsements. I am pleased to inform you that your company is maturing in all these dimensions. We continued our research & innovation journey during FY23. As of March 31st, 2023, Tejas and Saankhya had cumulatively filed 445 global patent applications and owned a rich portfolio of 330+ semiconductor IPs.

Awards & Recognition

You will be happy to know that your company has developed a comprehensive portfolio of end-to-end optical, GPON, and 4G/5G products. These products have been installed internationally and have garnered numerous global awards for innovation. Our flagship product, TJ1400 UCB, was selected as the “Broadband Innovation of the Year” at the sixth Mobile Breakthrough Awards in California, USA from over 2700 global nominations. TJ1400 UCB was also recognized as the “Best Made in India Telecom Innovation” at the 2022 India Mobile Congress. TJ1400 UCB is a unique product that converges multiple functions such as 4G/5G RAN, GPON/XGS-PON OLT for fiber-broadband access and MPLS-TP/IP/MPLS based 4G/5G backhaul in a compact shelf.

Our People and Community

As an R&D-driven company, hiring and retaining premier technical talent is critical to the company’s long-term success. In FY23, we continued to accelerate hiring across all key functions to support our growth plans. As of March 31st, 2023, on a standalone basis, the company had 1305 employees on its rolls which is a 41% increase over the last fiscal. Over 60% of our employees are in R&D. As an environmentally responsible company, we are committed to adopting global best practices in Environmental, Social and Governance (ESG) areas and ensure long-term value creation for all stakeholders. We have plans to use full solar power generation for our manufacturing facility in Bangalore, which will be commissioned during FY24.

Business Outlook

I would like to take this opportunity to update you on the progress we have made in our trials with Bharat Sanchar Nigam Limited (BSNL) for our 4G/5G Radios. These products have undergone rigorous testing in real network environments, focusing on critical key performance indicators such as coverage, capacity, and overall user experience. As a consortium partner, we are actively contributing to the development of one of the most advanced 4G/5G mobile networks in the country. The future of networks is largely expected to be non-proprietary, and software driven. That will make the network intelligent on the edge and that opens up lot of possibilities. This will also disaggregate the network elements and innovations such as Open-RAN will gain further ground. Our investments and resulting product architecture is keeping some of these advancements in mind. Telcos and enterprises world-wide re-looking at alternative products for their making their network intelligent, secured, and reliable with a tremendous focus on RoI, ability to personalize and bundle products & services.

All these will certainly create international opportunities that will enable the company to gain global economies of scale to compete effectively in India and abroad. This will no doubt put enormous onus on us – the Tejas team – and we are fully prepared to scale up our operations on multiple fronts.

On behalf of the Board of Directors of Tejas Networks, I would like to extend our heartfelt gratitude to the respective governments, Department of Telecommunications, nodal agencies in India and abroad, for their support. Our appreciation also goes out to our valued customers, passionate employees, supportive shareholders, reliable suppliers, and our bankers for their diligence.

I would also like to record my appreciation for my fellow directors for their valuable guidance to me and the Company.

We are genuinely thrilled about our prospects, and as we execute on our strategy, we are confident of delivering positive outcomes for all our stakeholders in the years to come.

N. Ganapathy Subramaniam
Chairman