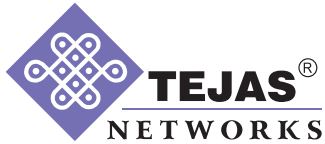


# Chairman's Speech



Dear Shareholders,

Good afternoon!

It is an absolute privilege to be your Chairperson for the Annual General Meeting today and, I take pleasure in welcoming you all to your Company's 22<sup>nd</sup> 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 2022, 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 2021-22, followed by an overview of the overall business environment.

## Performance Highlights

The pandemic pushed consumers, businesses, and governments to accelerate their adoption of broadband and digital technologies. Notwithstanding the short-term supply chain challenges and Covid-19 related uncertainties that we faced throughout the year, your company continued to stay resilient, thanks to the strong commitment and support from our employees, customers, and communities. FY22 was a year of renewed commitment towards our aspiration to become a trusted telecom products company.

During the year, while we witnessed a strong demand for our products and solutions in the form of new order wins, our revenue growth was relatively modest due to global chip shortages that impacted our manufacturing operations and our ability to deliver. The shortfall in our revenues, in turn adversely impacted our profitability. Summary of our FY2021-22 financial performance is as follows:

- Net revenues were at 551 Crore- YoY growth of 6.9%
- Profit After Tax was (63) Crore
- Net Working Capital increased to 492 Crore, primarily due to increased inventory.
- Our order book and the end of the year was 1,175 Crore, out of which around 70% is expected to be realized revenues in FY23.
- The cash position of the company remains strong at 1,102 Crores cash and cash equivalents with no debt.

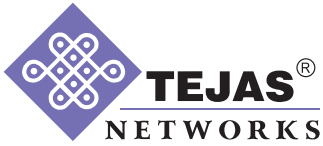
## Research & Innovation

During the year, we enhanced and redesigned our 4G LTE Radio Access Network (RAN) base station product to meet the technical requirements of a large pan-India mobile operator in India. We successfully completed the Proof-of-Concept (PoC) and are in discussions to commercially deploy our equipment's at scale.

Our 4G LTE base station has been designed to be upgradable for 5G, for which work is in-progress. All our product lines namely, wireline, wireless and transport continue to be enhanced in line with market needs. As of 31.3.2022, we have 350 patent applications, 137 global patent grants and a rich portfolio of 300+ semiconductor IPs. This strategy is further strengthened by the acquisition of Saankhya Labs Pvt Ltd., which enables your company to be a strong player in the 'broadcast' domain and become an active player for wireless, broadband and broadcast segments, as the industry enters the 'convergence' era.

Your company is the largest Indian optical networking products company with deployments across 75+ countries. Your company has deep expertise in the networking domain and our people are respected for their skills, professionalism, and competence. Our unique programmable software-defined hardware<sup>TM</sup> architecture enables flexible products that can be field-upgraded to meet new standards and customer requirements while giving a time-to-market advantage.





### Our people & community

We are very happy to report that during the year, our employees seamlessly transitioned to a hybrid working model, without sacrificing on productivity. We also provided all possible support to our employees and their families, in fighting the second wave of the Covid-19 pandemic in India. Our efforts ranged from sponsoring organizations who were distributing oxygen concentrators, providing funding support to build COVID units in local hospitals and arranging vaccination camps for employees and their families at all our offices around the country.

### Awards & Recognition

In FY22, our TJ1600 multi-terabit packet-optical transmission product family won the “Voice and Data excellence award for innovation”. The company was also a finalist for the 2021 Asia Communication Award (ACA) in the innovation category. It was a matter of pride that Tejas won the prestigious “CEO of the Year” and “CTO of the Year” awards from ET Telecom.

### Business Outlook

Telecom Networks are now an essential infrastructure for Digital society and Economy. Growth of high-speed broadband, 5G, softwarization of telecom networks, and the emerging geo-political situation, are the key macro trends driving our business. Globally over the last few years, especially with the onset of the Covid-19 pandemic, always-on broadband connectivity to homes and businesses has emerged as an essential service like electricity, gas, and water. This opportunity, coupled with current policies of the Government of India provides the right environment for design and development of indigenous technology and use of domestically manufactured telecom products like ours. In FY22, I am happy to inform that your company was declared eligible under the PLI scheme as well as the Trusted Sources mandate, which would help in growing our domestic market share in both public and private sector opportunities.

### Investment by Tata Group

We are pleased that your company is now part of the Tata group. The Tata group has always supported initiatives which are considered important and necessary for our country. In line with this philosophy, the group has recognized the need for having an indigenous telecom stack and is working towards orchestrating a modern solution for the telecom industry at large. In doing so, the objective is to build a world class telecom OEM, capitalizing on the end-to-end group capabilities in software and system integration, design and manufacturing of electronic sub-systems and telecom equipment, in which your company will serve as the centerpiece.

In conclusion, your company is poised to be a scale player of global reach with a competitive portfolio of products supported by best-in-class R&D and innovation. We will grow offering modern, efficient, and innovative telecom network equipment. This would entail us building a strong manufacturing ecosystem in India, an agile back-office and support operation, backed by world-class team and processes.

I take this opportunity to sincerely thank all the board members for providing their valuable guidance and support to your Company. In particular, I would like to express my gratitude and appreciation for the past Chairman, Mr. V. Balakrishnan and Dr. Gururaj Deshpande, under whose able leadership the Company has been able to achieve all the success over the years and build a strong platform for future.

On behalf of the Board of Directors of Tejas Networks, we thank the respective Governments, nodal agencies of India, the Government of Karnataka, and all Government agencies, Governments of various countries where we have business operations, and we look forward to their continued support. We are grateful to our customers, employees, shareholders, suppliers, and bankers, all of whom have supported us during these challenging times.

I wish you all good health and happiness.

Warm regards,

**N. Ganapathy Subramaniam**

Chairman