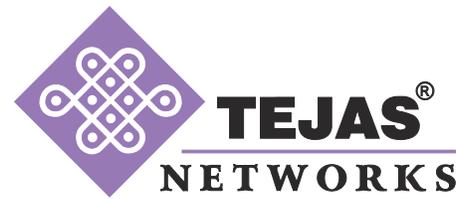


Tejas Networks Ltd.

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July 05, 2021

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
NSE Symbol: TEJASNET

The Secretary
BSE Limited
P J Towers, Dalal Street,
Fort, Mumbai – 400 001
BSE Scrip Code: 540595

Dear Sir/Madam,

Re: Transcript of the 21st Annual General Meeting

Please find enclosed the transcript of the 21st Annual General Meeting of the Company held on June 25, 2021.

This same is available on the Company's website at www.tejasnetworks.com.

This is for your kind information and record.

Thanking you,

Yours sincerely
For Tejas Networks Limited



N R Ravikrishnan
General Counsel, Chief Compliance Officer
& Company Secretary

Transcript of the 21st Annual General Meeting

June 25, 2021

3.00 P.M IST to 4.40 P.M IST

Board of Directors

V Balakrishnan, Chairman	Amb. Leela K Ponappa, Independent Director
Sanjay Nayak, Managing Director and CEO	Chandrashekhar Bhaskar Bhawe Independent Director
Dr. Gururaj Deshpande, Non-Executive and Non-Independent Director	Arnob Roy Whole-time Director and COO

Key Managerial Personnel

Venkatesh Gadiyar, Chief Financial Officer
N R Ravikrishnan, General Counsel, Chief Compliance Officer and Company Secretary

Senior Management

Kumar Sivarajan, Chief Technology Officer

Auditors

Statutory Auditors – Mr. Mohan from M/s. Price Waterhouse Chartered Accountants LLP
Internal Auditor – Mr. Hemant from Singhvi Dev and Unni LLP
Secretarial Auditor - C Dwarakanath, Practicing Company Secretaries
Cost Auditor - Krishna Murthy, GNV & Associates

Welcome address – V Balakrishnan

I welcome the members to the 21st Annual General Meeting of the Company. This meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI. For safety reasons, each of us is in a different location. Before we start the main proceedings of the meeting, I would like to introduce my colleagues on the video conference.

First I would like to introduce Dr. Gururaj Deshpande, Non-Executive and Non-Independent Director of the company.

Dr. Gururaj Deshpande Hi

V Balakrishnan Now I would like to introduce Chandrasekhar Bhave Independent Director.

Chandrasekhar Bhave Hi. I am Chandrasekhar Bhave. I am joining this call from my residence in Bangalore.

V Balakrishnan Now I would like to introduce Ambassador Leela K Ponappa, Independent Director.

Amb. Leela Ponappa Hi. This is Leela K Ponappa. I am joining from my residence in Gurgaon.

V Balakrishnan Let me introduce Sanjay Nayak, MD and CEO

Sanjay Nayak Hi, I am Sanjay, joining from the company's registered office at Bangalore.

V Balakrishnan Arnob Roy, Executive Director and COO

Arnob Roy Hi. This is Arnob Roy, joining from the corporate office.

V Balakrishnan Let me also introduce Kumar, CTO, Venkatesh Gadiyar, CFO, Ravikrishnan, Company Secretary. Thank you everyone.

I confirm that the Chairperson of the Audit Committee, Chandrasekhar Bhaskar Bhave and Chairperson of the Stakeholders Relationship Committee, Dr. Gururaj Deshpande are present for the meeting through Video-Conferencing.

I confirm that the Statutory Auditors Mohan from M/s. Price Waterhouse Chartered Accountants LLP, Hemant, the Internal Auditor, Secretarial Auditor, C Dwarakanath, Practicing Company Secretary and the Cost Auditor Krishna Murthy are present for the meeting through Video-Conference. The participation of members through video-conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

I now request N R Ravikrishnan, Company Secretary, to provide general instructions to the members regarding participation in this meeting.

N R Ravikrishnan

Good evening everyone. Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-served basis. The Company has also provided webcast facility to view the live proceedings of this annual general meeting. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to agm@tejasnetworks.com.

As the AGM is being held through video conference, the facility for appointment of proxies by the members is not applicable and hence the proxy register for inspection is not available.

The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for questions

and answers. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

The Company has provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on the "Vote" tab on the video conference screen to avail this feature.

Members are requested to refer to the Instructions provided in the notice or appearing on the video conference page, for a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers. Thank you very much, Mr. Chairman.

V Balakrishnan - Thank you, Ravi.

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. I thank all the members, colleagues on the Board, auditors and the management team for joining this meeting over video conference. I hope all of you are safe and are in good health. Now, let me deliver the Chairman's address to the shareholders.

Chairman Address

Dear Shareholder, it goes without saying that these are extraordinary times. Just as our hearts go out to everyone affected by Covid-19, we are grateful to all our first responders and medical professionals who are risking their lives to keep us safe. We are also grateful to all our employees who continued to deliver on our commitments to all stakeholders despite these challenging times.

FY 2021 was a year of paradoxes for the telecommunications industry. While the macro-economic environment and government restrictions posed severe challenges to our operations, the global movement towards digitization with increased spending on network capacities by operators provided a strong tailwind to our business.

During the year, it became clear that a robust telecommunications infrastructure is an essential service for delivering connectivity to people, homes, offices, and governments, and which keeps our lives going on in as normal a way as possible. While it was always known that digitization and a highly-connected world were the way forward, COVID-19 fast-forwarded this transformation and increased the demand for reliable, high-bandwidth services. To deliver these high-bandwidth services, telecom and internet service providers need to make capital investments in optical transmission and fiber broadband access equipment, which is the focus area of your company.

I am happy to report that during FY 2021, your company showed a solid turnaround in financial performance with robust year-on-year growth in our revenues while we returned to profitability. We improved our performance on almost all financial parameters while continuing to be a zero-debt company. As a deep-technology company, we continued our investments in R&D and maintained our focus on innovation to create globally competitive products. Since all our R&D manpower is located in India, we get a significant competitive cost advantage as compared to our global peers. Over the years, we have built a globally competitive portfolio of Software-Defined-Hardware products, which are well-positioned for building high-capacity optical backbone networks as well as high-speed broadband access networks.

Over the past few years, we have increased our focus on international sales to tap the large global opportunity and to reduce our over-dependence on the Indian market by geographically diversifying our customer base. We are happy to report that during FY 2021, we significantly increased our international business, both on absolute levels as well as a percentage of our total revenues. Our sales investments and focus on Africa, South-East Asia, and the Americas are expected to continually grow our international business. What also helps is that many of the countries in emerging markets have India-like needs, and our success in India serves as a strong reference point in winning new customers in these markets.

With telecom networks becoming an integral part of our daily lives and increased connectivity of internet-of-things (IoT), there is heightened sensitivity around cyber-security globally and the need to build secured telecom networks. As a result, sourcing of trusted telecom equipment has now become a key geopolitical concern for many countries. With our products being deployed in over 75 countries, we have a great opportunity to become a trusted and reliable global source for leading-edge, yet cost-competitive telecom products. India continues to be one of the largest telecom markets in the world and is our home market, from which we get a majority of our revenues. While India has 13% of the world's telecom subscribers and is one of the biggest consumers of mobile data in the world, the capex spend by Indian telecom operators is disproportionately low and is only 5% of the global equipment spend. With an increased demand for highly reliable, high-speed home/office fiber-broadband connectivity, the impending 5G rollouts, and the stabilization of competitive intensity amongst telcos, we expect a robust capex cycle in the years to come.

During FY 2021, our India business grew healthily across both government and private segments. We see a strong intent from the Government to promote products developed with Indian R&D and IPR and which are manufactured in India. We believe that supportive Government policies such as the Product Linked Incentive (PLI) Scheme, the mandate for all telecom service providers (both Government and private) to source only trusted telecom equipment, and further strengthening of Preference to Make in India (PMI) policy, clearly signals that the Government wants to make India a global telecom equipment manufacturing hub, especially in the light of the new geopolitical situation. To conclude, we have the right product mix at competitive price points; great R&D team which continues to develop leading-edge technologies; highly-favorable geopolitical situation where countries are seeking trusted telecom products; increased digital adoption driving increasing investments in network capacities, and more importantly, favorable Indian Government policies and intent. All these combined together set a great platform for our future growth.

On behalf of the Board of Directors of Tejas Networks, we thank the Government 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 inner strength to tide over these testing times. Thank you.

I now request Mr. Sanjay Nayak, CEO and MD, Tejas Networks to address the shareholders.

Sanjay Nayak

“Thank you, Bala. First of all a big a thank you from the Company and the management to all the employees, the shareholders, and the stakeholders who've been supporting, especially in the last 12 to 15 months, which have been challenging for everybody. So we acknowledge their

support and commitment to the company. Now, I would like to go over the highlights of last year, and also talk about the strategy going forward.

Just to quickly look at the performance of last year. Bala gave you a high level view. I would like to go into a little bit more details.

So, FY21, we returned to profitability. And in addition, we have generated quite strong business momentum. So, our revenues do 35.6% year-on-year to Rs 515 crore. And our y-o-y bookings also grew quite significantly; our order book is at Rs 679 crore at the end of March 2021. This is all-time high for the company. Our international business, which we have been focusing on for some time, grew by 62% year-on-year basis on revenues and contributed to 40% of the total revenues, which is up from 33% a year before. More importantly, the booking is which is the new orders from international was 103% growth as compared to FY 20, and which was basis very strong orders from Africa as well as South-East Asia.

The India business grew 22% year-on-year. Primarily driven by both from the government, which is, of course, you know, being fueled by the Atmanirbhar Bharat, and from the private operators, who are starting to do a lot more home broadband connections, especially in the post COVID or ongoing COVID scenario, when people are working from home, which is in turn resulting in high- capacity networks in the metros as well.

One other thing which was very important for us is repeat business from our existing customers. And I'm happy to say that 86% of our revenues of last year came from existing customers. On the profitability side we had a profit after tax of Rs 37.5 crore, which was a loss in the previous year and the earnings per share was Rs 4.05. And at an operating cost basis, given that we have come up on the back of a very tough year, we ensured that the operating costs are almost flat on the yearly basis, while the revenue growth was there, as we saw earlier.

On the balance sheet side, we continue to have a very strong balance sheet. At the end of the year, we have Rs 364 crore of cash and cash equivalent. And we added Rs 84 crore of cash in the year up from Rs 280 crore that was the cash last year.

We continue to be a zero debt company, and our working capital reduced from Rs 540 crore to Rs 450 crore. I'm sure there are more opportunities as we go forward. Trade receivables also reduced from Rs 456 crore to Rs 414 crore. As you can see across all financial parameters, we have made good progress in the last year.

On the R&D side, we continue to focus on it. We continue to invest aggressively. So R&D expenses and investments continued the way they were in the previous years, and as a result, we have been able to make more products, and we secured new wins for fibre to the home, DWDM, a new wireless product that we commercially launched last year, or from tier one customers around the world.

Our Tejas brand internationally is growing a lot stronger, and I'll talk a little bit about the initiatives which we took during the year, which are helping us in more business and in becoming more familiar with customers around the world. R&D expenses as a total of our revenues on a fully expensed basis was 20.6% of revenues, which among all the listed companies in India was among the Top 3.

So, as you can see, this is a quick summary of financial performance.

On the next slide, I've given the overall trend over the last 4 years. So, while it's heartening to get a good financial performance last year, we, as management do recognize that we still have

a lot of catch up to do. If you see our financial performance in FY 18 and FY19, we were at much higher numbers, and we are yet to reach those numbers. So, we, as management team are really committed to making sure that sooner than later we are able to get back onto the revenue numbers and the growth numbers that we had two years back and all efforts are directed towards achieving that.

All the other charts, as you see on the profit and loss, once the revenue stabilized to a minimum level, our profitability comes back to the levels that we expected to be, which was in the past. Working capital has been continually improving over the last three years. Expenses will be tight in terms of SG&A, and on the R&D side, irrespective of the revenues we continue to ensure that we make the right kind of investment, and cash & cash equivalents, we made improvement last year. We expected to we expect to continue to generate more cash going forward.

Just a quick pie chart of the three major revenue segments that we report. So, if you see on the left hand side is the actual breakup for FY20. Where India private was 52% of the total at Rs 195 crore, international was at Rs 126 crore and India government was at 15% at Rs 58 crore. In FY21, on an absolute basis, all the numbers increased. So, in your private venture, Rs 195 crore went up to Rs 224 crore. Growth in our international business was very significant from Rs 126 crore to Rs 205 crore. And then India government went up from Rs 58 crore to Rs 86 crore. And we see the runrate business, which is repeatable business from international as well as India private that was 83% of the total in FY21, and which was a year-on-year growth of 33.6%. So, not only did we do better in terms of the overall revenue, I think the blend of businesses is also getting better. And while we are excited, and committed to the India government business, we also realized that we have to build a business, which is very strong independently. And as and when the government spending starts to happen in a good way, we should be able to benefit from it as well.

There are a lot of questions and concerns during the year from shareholders, and everybody else in the company and stakeholders in terms of how can we manage the COVID-19 situation. And I'm very happy and proud to say that as a team we really pulled up our socks in every aspect that a lot of digital transformation happened. We made a lot of progress. And on the customer support side, for example, we made sure that all our networks continue to run with 99.999% uptime. All our support people are available 24x7 around the world. And we really provided fantastic technical support to our customers, and we got significant numbers of letters and appellates from our customers around the world for being able to support them, which such high degree of perfection over the COVID period as well.

On the sales and marketing side, clearly, there were travel restrictions. For most of the last year, we could not travel internationally. But as you saw, we could still do more than 100% in bookings and 66% in revenues in the international side. Lot of it was really the hard work of the previous years; investments which are already in the ground.

But additionally, we really need a very quick adoption to all the media available digitally. So, we had a very significant amount of engagement with customers. Through webinars at CXO levels we were able to reach out to most of them because they are all open to talking on the web. We did a lot of webinars, education series and participated in online trade shows and all of that worked very well.

To the customer would ideally like to do a field trial, and test and feel the equipment themselves, we were able to do remote demonstrations from our lab in Bangalore where the customer could exactly tell how they wanted to see what parameters they wanted to test and we were able to

give them all that stuff with real time interaction around the world. There are customers in western part of the world talking to people at midnight over here and you were able to do that.

On the manufacturing and operations, which actually does require people to be physically in the factory, we did a lot of innovation, and came up with something called Smart Factory Acceptance Test. Again, on virtual team with a live high-resolution camera with all the inventory opened up and kept ready, and lit up in our factory. Customers could actually do all the testing that they would have done physically. And many of the customers were able to get the equipment tested remotely. Of course, some of them, especially the government and others have a process where they have to be physically present. And those are the things which got impacted.

We also made sure that we expanded our supplier base and from one particular country where around the world there's a lot of supply chain of electronics, we made sure that we diversified our supply chain from there. We got a new supplier so that we don't have to have a dependency on a specific country so that we do not get impacted in a larger geopolitical situation.

Safety protocols and plans were absolutely implemented in the factory - from the cargo to the shipments to the shop floor to warehousing. We have very strict standard operating procedures and all employees follow that. And as a result, we were able to manage our manufacturing operations reasonably smoothly during the period.

On the HR side, on the overall basis, we enabled work from home for anybody who could work from home. Most of the R&D people worked from home. We made sure we had a hybrid model where the R&D Labs, where the physical equipment is, was provided access and the people were available. And as in when, you know, the locked downs and travel restrictions eased, we had a mixed hybrid model, which was the most efficient way to do it in terms of making sure that there was no productivity loss despite the lock downs.

On the employee side, a lot of proactive measures were taken. We took all kind of health insurance to make sure that in the unfortunate situation that somebody did go through Covid, we had all kind of insurance cover. Especially in the second wave, all of us in the senior management team, and the company did everything that we could to help all our employees get whatever support and how they could need. We increased coverage in terms of insurance, etc. And, you know, because of the stress that anyone could have because of not coming to office, we also offered counseling services on a 24x7 basis from professional agencies for any employee who needed it. Again, standard operating procedures were followed when at the workplace. And net of all of that, I believe that we were able to efficiently contact our customers and run our factories while making sure that the safety concerns of employees and their families were not compromised even to the smallest extent.

Let me talk of now going forward. So, how does our industry look like and what are we going to do and why are we excited about that future. So, at the big picture level, if you see, there are few industries in the world which really have got accelerated in terms of how the digitization of economies have come into play. For telecom networks have become a centerpiece, an essential infrastructure for a digital economy or digital society in which you are living. If you see the chart on the left hand side, these are things which all of us have become far more familiar with than we were a year before - whether it's work from home, e-learning, telemedicine, OTT platforms for entertainment, e-commerce and m-commerce. And this is all which we've been experiencing almost on a daily basis, or a significant period of time. What is coming, or has started to come is all the new stuff around 5G - whether it is IOT, smart agriculture, smart cities, and a whole new set of applications that should be going around. So, all these things are going

to be essentially causing a lot more data traffic to be generated to the network. If you see the chart on the right hand side the mobile data traffic from 2020 to 2026 is going to go over five times. The fiber rollout is again going to grow quite significantly. 5G, which is the new technology, which is starting to roll out right now will continue to be rolled out for the next 5-7 years and that's going to be again, having a very large cycle of growth.

If you look at the Internet penetration that again is increasing – whether you look at IOT, high-speed broadband connection. Whichever way you look at it, there's significant macro demand, which has to be fulfilled. And that's something which is very happening for our space.

So, what is our growth strategy given this very interesting opportunity that we see on the global basis? So, we are three fundamental strategies.

Number 1 - we will continue to focus on the international market so that we have a diversification of geographies and there's a much larger market outside of India, which we want to tap. Number 2 - we want to benefit from that data and broadband growth in India. India is one of the top most and the largest markets in the world for telecom. And the investment so far have been sub-par and there's clearly a need for much more. And number 3 - is continue to have a differentiation through innovation, and R&D. We are a deep technology company and the only way we are relevant is if we continue to invest in R&D and stay ahead of the game.

On the international side, the geopolitical situation with certain countries not being considered as trusted sources for telecom equipment, and new regulations coming into place is really providing a great opportunity for someone like Tejas. We bring to the table the best of the east as well as the west. We have the cost competitiveness of the east, and the innovation of west, which India can bring along with the trust factor, which I think the IT service hasn't built up also many years. So, we are going to be continuing to increase sales investment and local presence in Africa, middle-east, Southeast Asia, and, of course, North America and Europe, which did not do very well last year, but we are expected to ramp up going forward. We will also be exploring more partnerships because the world is looking at things where we could be good at something and we could find complementary partners who are good at something else, and together, we can create a very good ecosystem and offer a great value proposition to the customers.

On the India side, the home broadband is going to be a significant growth market. India only has about 10 to 15 million home broadband connections on fiber and this number is expected to go to around 100 million over the next 3 to 4 years. We are talking about 10 times increase in the home broadband connection. This is a very profitable business for the operator because the ARPUs are five-six times that of out of a mobile subscriber, the stickiness is high and the customers are willing to pay high price for high quality and reliable bandwidth. I'm sure many of you can associate with that as you as you're working from home and learning from home. We believe that over the last 12 months, we have won a lot of new applications that new business from our customers in India, and we will expect to increase the wallet share from them.

The Atmanirbhar Bharat is a very strong intent as well as initiative of the government. I'll talk a little bit more about it, which we clearly can benefit from.

On the hardware side, we have the software-defined hardware, which is programmable. So, the same equipment can be programmed to do newer technologies from 4G to 5G. And that gives us a very good competitive advantage. Our portfolio products has become very rich. We have wireline, which is the fiber optic-based infrastructure, and now we have wireless, which we started to get business last year. And really, we have leading-edge at solutions in the hottest area of technology within the telecom sector, which again, I'll talk about in a few minutes.

Just to talk about a little bit of the three broad picture of our growth strategy on the international front. We have three focus areas - Southeast Asia, which is about \$2.2 billion dollar market this year, Africa & Middle East, which is around \$3 billion per year and, Americas, which is around \$4 billion. This is the addressable market for our products. And what are we going to be doing across these three geographies which represent about \$9 billion revenue potential for us in FY22.

In Asia, we are continuing to see a lot more opportunity there on fiber to the home as well as fixed wireless access infrastructure. We won a very large, rural broadband project in one of the Asian countries last year and the rollout has been extremely successful. We believe that those kind of things will continue to give us more business in the coming years.

Africa was a star performer last year where our business was 68% year-on-year. We have won multiple operators, multi-country operators. And Africa as a continent is seeing huge amount of data and data centers and bandwidth applications being created. All the web scale companies, all the new digital economy companies of the world are looking at Africa as a growth potential, and hence the telecom networks need to be built out. We already have got those customers on our side, and we expect to continue to grow on DWDM, OTN and other solution that we have.

In addition, Europe we started to invest lives late last year, and we are confident that this year we should start seeing some success in Europe as well. Europe is another market where the wireline infrastructure on fiber is still very weak. So, many countries starting from UK to France to Germany to Spain are building high-capacity fiber broadband infrastructure like India and we have very competitive products for that market.

US, as you would know, did not very well last year because of the COVID situation where we salespeople couldn't travel, and the customers continued with whatever they have from their existing suppliers. But now US again has a huge amount of investment happening in the rural broadband infrastructure like what we have in India. And we are targeting that market because this is something which we know extremely well with our products. And, of course, we are confident that we'll see success there.

Mexico again was adversely affected because of COVID last year. But again we have a strong customer base and they're confident that the North America geography should also give us good success in this coming year.

The other initiative that we did very well last year was in terms of creating a brand for Tejas products. One of the challenges that Tejas as a company has faced is not just because of Tejas but because of India as a country is that we don't have too many Indian companies that can be considered as a global brand in the high-tech product space. So, a big part of what we're doing is really creating that branding. So, we did a lot of online engagements in terms of real-time trade show participation, thought leadership seminars, teaching seminars and so on. And all of these things, I can tell you has significant attendance. We have very well-respected set of technologists in the company - from Kumar Sivarajan, who is our CTO to Arnob, President technology, and so on - people from world over were able to come and listen to them and we got very, very good response. A lot of leads, which came from these online webinars have converted to business during the year.

The second pillar of our growth was really India. India is one of the largest markets in the world. It's a top seed market in terms of subscriber base. But if you look at it, in terms of the investment in capital infrastructure in Telecom, it is significantly lower. We believe the reasonable market in India for our kind of products is around a billion dollars per year.

And that is coming from two fundamental drivers. One, that cell tower fiberisation is still very low at around 35% and over the next 4 or 5 years it should be at least 60% if you have to have good 4G or 5G coverage. Second, in terms of mobile broadband subscriber India has become the highest per capita user of data on mobile broadband. And, that will continue to grow. We believe that with 4G and 5G penetration in the future that will continue to happen. The fixed broadband is something where we have extremely low penetration. We hardly have a copper broadband in the country. It's just about 8% market penetration, which should go higher over the next 3 to 4 years. And we believe that a lot of operators are thinking of fiber to the home infrastructure but couldn't invest enough because there wasn't enough pent up demand. But that's something which is going to change as the year progresses. In terms of the three lines of business within India, the India Government business - our Prime minister has announced the Bharat Net for every village, which is 650,000 villages from 250,000 right now. So, there's a lot of villages to be covered over the next two years. Again because of COVID this project has been slow to start. But it should catch up speed in the next couple of years. And BSNL, the national operator has plans to roll out of 4G network and that will present an opportunity both for wireless as well as wireline products of the company.

And on India private side, fiber to the home is a big application - a very profitable application for all the private telcos. We have been selected by all the major telcos for their fiber to the home rollout plans. So, as they start, and as our integration into the networks happens, we should see some business success on this side. In addition, for capacity expansion projects, because more data is being generated from mobile phones as well as from broadband, we have been selected by multiple large operators, who are expanding the capacity of the network, and ones that have to replace some of the products from certain countries that they aren't allowed to buy products from anymore. And that again is presenting us a great opportunity.

The critical infrastructure segment has been a very solid segment because cyber security has become a very big concern for rail, pipeline, electricity, infrastructure, smart city and safe city, and this again is a segment where all our products from FTTH to package transport to DWDM and switches are being used. It is a very solid business, which is continuing to grow. So, in India, the fundamental drivers are strong, and we expect to see good business there.

Let me talk a little bit about Atmanirbhar Bharat in the telecom sector. What are the policies and how do they impact our company? So, there are three fundamental policies, which the government has announced. One has being there for some time, the Preference to Make in India, which basically says that for all government-funded projects, if there's an Indian product available as per the definition of what constitutes an Indian product, they will be given preference to purchase versus any imported products. There are also clauses that say that any countries with which India has a land border, products from that country cannot be used in these projects. All the products that our company manufacturers are covered in the Preference to Make in India list of products.

There's another directive, which is in effect from June 15th, although it was announced on December 30 last year, where the Indian government on national security grounds has required and mandated that any telecom service provider, whether public or private, ISPs or cable operators have to use trusted products from trusted sources only. And the Government of India is scrutinizing which products to which manufacturers in which country will be allowed to be offered as trusted sources.

And then the third is the Production-Linked Incentive Scheme, which is the broader scheme for any manufacturing in the country. And telecom sector has been allotted Rs 12,195 crore and all the products that your company manufacturers are covered under the PLI scheme, which

should be operative from this fiscal year onwards. And one can get 4 to 6% of the incremental sales over a base year as cash incentives from the government for basically making the capital commitments as well as the extra revenue that you are able to generate. All these schemes showcase a very strong intent of the government. Collectively, these three policies give us a very strong tailwind, and we believe that we should be able to take advantage of these in the coming years as well.

The last part I want to talk about is our product differentiation through R&D. We are a deep technology company, and we believe that it is how we differentiate ourselves against global players. So, there are four areas in which we have products – One is on the global XPON market, and the addressable market for the product is about \$4.4 billion dollars per year going up to \$6.3 billion dollars per year over the next five years. It's a growing market. And we have very good products in this segment.

The second area is the fixed wireless access market, which is something that we started to invest in the last few years. Its \$2.5 billion dollars per year market going upto \$4.3 billion dollars over the next five years. The third one is the global metro/ access WDM market, which is going to grow from \$7.8 billion to \$9.3 billion. So, in that sense, our products are in segments of business, which are large opportunities. So, opportunity is not a constraint. We have the right products. We just need to find ways to sell a lot of that, more both in India and outside of India.

In terms of the product portfolio, we commercially launched our wireless products last year on LTE technology. For high-speed fiber broadband, which is a GPON technology - which many of you would have started to see a fiber base connection in their home. And sooner or later, you may see a Tejas branded box at your home for FTTH connections. We again have a significant growth opportunity there. Multi-terabit transport opportunities to the networks, packet optical transport, and of course, the secured switches for sale city & smart city application. Now, I'm very happy and proud to say that your company is among the top-three R&D spender among all listed companies in India, and more than half our team of 800 people are in R&D. And this is a very highly-talented and capable team from the top institutes with the best credentials that is developing our products. We have 349 patents and more than 300 silicon IPs.

So we have award winning products and solutions for home and office, broadband capacity expansion, critical infrastructure and, of course, the 5G-ready mobile backhaul. And this is something which we feel that we need to expand our applications across existing customers as well as new customers.

During the year, we won a lot of global international awards, where we were selected by top agencies in the world who track the innovation of our products. We are very happy to say that we were chosen as finalists in almost all the products categories that we applied for. We are looking at more tier 1 customers and larger operators, where once you're selected, their spends are large and their ability to give you revenues is significantly higher. And we are really trying to make sure that as a part of expanding our portfolio of revenues from customers, we get into larger operators. Five out of the top 10 telecom operators in the world are our customers now. Three of the largest wholesale bandwidth providers in Africa are our customers, all large public and private telco networks are our customers, the largest suppliers Indian utility networks like power, oil and gas are our customers. The first converged fiber and wireless broadband network in Asia was turned live on our products last year. And, of course, BharatNet which is the world's largest rural broadband network was also done on Tejas products. So, this gives us a lot of confidence that we have world- class products, which can win against global competition and be deployed in the field and come out with flying colors in terms of quality, performance and caliber.

The last part I want to talk about is our interaction with people around us, our CSR initiatives. So, we basically chose three broad areas where we thought we could make an impact – education, health care and skill development. Akshay Patra, which has a large mid-day meal program, did a lot work during the COVID period, in terms of distributing food to COVID-affected people, or people who could not have access to food during the times. The ICT Academy, which is a very good skill academy for people who could be doing work at the grassroots level in terms of technology, then IEEE Bangalore, which is a premier Institute for research and development. And then, the Sri Aurobindo Society, Deshpande Foundation for skill development at different levels, whether it's in a school children, or differently-abled people or different vocational skills. We're very proud of all these things that we've done for the society around us and in the last few months, in the second wave, I think a lot of people from Tejas and as a company, we have worked with hospitals in our vicinity in providing funding for equipment, concentrators and all this other stuff; to make efforts so that our country came out strong after the second wave.

In summary, if I look at where our company is, the foundation that we created, we see, the fundamental drivers for our business are very strong. We are in the right business, which is telecom sector. We are in the right segment of the telecom sector, which are growing. Data traffic is growing, telcos are increasing the investments, our R&D investments are continuing to deliver good value for us. We are creating products. It can stand at the global competition and we can try to see that products design in India are competing with the best in the world on both wireline as well as wireless side.

International segment, which has been a focus area for the past two years has finally started to deliver results. We grew very well last year, and we expect to continue to grow more in the coming years as well. India, which is a large market, which is a home market for us, has all the macro elements in our favor.

As you saw, and I mentioned earlier as

As a company, as a team, we have found out a very effective way of dealing with the challenges from COVID-19, and made sure that we have processes and systems and really came out stronger in terms of more productivity. And making sure that the employee wellbeing was not compromised in any way. And last, but definitely not the least, we have a strong balance sheet with a heavy cash position and this enables us to take long calls - whether it is for inventory, whether it is for growth investment, etc. The only other thing which I would like to highlight is that as a result of COVID and other challenges, which happened last year, there has been a significant disruption and delay in semiconductor components across sectors. And needless to say, we are also impacted. So, we took early actions, and made sure that we have secured the inventory for the entire year. Of course, they will always be challenges in the near term, but we may make sure that because of the visibility that we have for business, the shortage of chips should not come in the way of executing our business plan for this current year. So, all in all, I'm very confident and happy that we came off a strong last year.

But clearly we still a lot of way to go and really get back to the revenue levels and the profitable levels that all of us shareholders are expecting us to. And I'm very sure and confident that in the years to come we will continue to show better and better performance. Thank you.

V Balakrishnan

Thank you, Sanjay. I now request Ravi, Company Secretary, to provide a summary of the Auditors' Report.

N R Ravikrishnan

The Statutory Auditors, (M/s. Price Waterhouse Chartered Accountants LLP) and the Secretarial Auditor (Mr. C Dwarakanath, Practicing Company Secretaries), has expressed unqualified opinion in the respective audit reports for the financial year 2020-2021. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company. The Statutory Auditors' report on standalone financial statements and consolidated financial statements are available in the annual report. Secretarial Auditor report is enclosed to the Board's report of the annual report. Thank you.

V Balakrishnan

Thank you, Ravi. As the notice has already been circulated to all the members with the consent of members, I take the notice convening the meeting as read.

Before we proceed, I bring to your notice that, as required under the Companies Act, 2013, the Company had provided you all the facility to cast your vote electronically, on all resolutions set forth in the Notice. Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by NSDL. Further members can seek clarifications and/or offer comments on items of business, if any. The results of the AGMs resolutions will be declared not later than two working days. Members may please note that there will be no voting by show of hands. Further, members can seek clarifications and/ or offer comments on items of business, if any.

We now take up the resolutions as set forth in the Notice. I will open the floor for any questions by members after all the resolutions are tabled and remember that we are not taking hand vote here, so I will just read out the resolutions.

Item No. 1 of the Notice - Adoption of Accounts - The financial statements of the Company including the consolidated financial statements for the year ended March 31, 2021 including the reports of Board of Directors and Auditors have already been provided to the members.

Item No. 2 - Re-appointment of Sanjay Nayak (DIN: 01049871) as a Director liable to retire by rotation - The proposal is to re-appoint Sanjay Nayak as a Director liable to retire by rotation and being eligible seeks reappointment.

Item No. 3 - Ratification of the Remuneration of Cost Auditors - The proposal is to ratify the remuneration to be paid to the Cost Auditor for the financial year ended March 31, 2021 and to authorise to the Board of Directors of the Company to do all such acts, deeds and things to give effect to the aforesaid resolution.

Item No. 4 - Payment of Remuneration to the Non-Executive and Independent Directors - The proposal is to pay the remuneration to the Non-executive and Independent Directors for the financial year ended March 31, 2021 and to authorise to the Board of Directors of the Company to do all such acts, deeds and things to give effect to the aforesaid resolution.

N R Ravikrishnan

Dear Shareholders, thank you for joining our 21st AGM today and for taking time to participate in today's AGM. Before we go live with the Questions & Answer session, here are some points to note for your convenience. Kindly turn on your video when you are projected on the broadcast screen, kindly unmute yourself, and proceed to ask the question. Please mention your name,

folio number, and the location from where you are joining. Each shareholder will have two minutes for their questions.

V Balakrishnan

The text of the resolutions, along with explanatory statement, is provided in the Notice circulated to the members. If any member desires to ask any question pertaining to any item in the Notice, he/ she may do so now. Members are requested to keep the questions brief and specific. To avoid repetition, the answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time. Now the floor is open for questions.

In the meanwhile, we request you to watch the video that showcases the corporate presentation of Tejas.

[Tejas Corporate Video plays]

Audio and Video Questions

Shareholders' Q&A

Moderator: We now request the 1st shareholder, Mr Kannaiya Lal to pose his question to the Chairman.

Moderator: Mr Ashok?

Shareholder 1

Good evening. My name is S Ashok Chakravarthi. I am very happy. Congratulations to the management to come back to profit this year. Share price has risen four times. But I feel it is still low. I request the management to see to it that the share market recognizes the value of the company. Even a loss of one rupee will have a lot of impact and importance for small shareholders. The next point is that just I wish to know - there was some sort of reduction in the R and D expenditure. I will be glad if you clarify the reason for it. Also as per my knowledge, sometime back, Mr Vijay, who is a shareholder and market analyst gave good recommendations about our company - when the company share price was very low. Now we just touched 175 – 180 levels; it has fallen down from the 200 level it touched in March. See, what I understand is, can you recognize him in any manner?

V Balakrishnan

Thank you. Mr. Ashok. Let me assure you that the management exist for value creation for all share orders no.

Shareholder 1

Sorry sir. Will you give me another 2 minutes time sir? Can you tell me about 5G – are there any future prospects because of the 5G for our company? Also thanking the management and all our co-shareholders.

V Balakrishnan

Let me ask Sanjay to answer your questions.

Sanjay Nayak

So, let me answer your second question first - when 5G rollout happens in India, what will the prospect of our company be? As you would have seen in the presentation, there are two elements in a 5G network. One is the mobile phone mobile network, like we have a 4G network that will become 5G. We have investments, which are happening in the wireless side, which are currently for 4G, and will be upgradable for 5G.

The second one is that for 5G network we need a very strong optical backhaul or a mobile backhaul infrastructure on fiber. And that is where I see our products, both the transmission products as well as the FTTH products, which are the latest technologies and will be required for 5G. So, all our optical transmission products are 5G-ready and as and when the 5G networks roll out, our products can be used and will be used for that. So, I think we are 5G-ready and we will benefit from the 5G capex cycle, which will be a 5-7 year cycle.

The other question, with Bala's permission, if I can answer was on the R&D reductions. Actually, year-on-year, on a fully expensed basis, our R&D expenses are almost flat. So, I think what we did is we made sure that all the investments, all the projects that are going. Also we came off a very tough year in 2020. When we started around this time last year, the market uncertainty, the economy uncertainty was very strong and it was important for us to ensure that we did not go ahead and spend a lot of money till we got to go to confidence that all the macro and near-term parameters were under control. So, as a result, we kept the R&D expenses almost flat on a year-on-year basis. But on a percentage basis, it was still 20.6% and it is the top 3 of all listed companies in terms of percentage of revenues. And so we made a very high degree of R&D investment, but at the same time, we were cautious and not going ahead of ourselves.

Moderator

Next question we will be taking the question received through email. So, the first question is from Varun Dambal. And his question is what are the best practices (with respect to employee wellness) has the company adopted owing to COVID-19? Are all employees allowed to work from home?

Sanjay Nayak

So, as I mentioned when I gave my presentation on all the different aspects - we have taken care of ensuring that employee safety is paramount. So, we made the workplace as safe and efficient as possible. The way forward is that there will be a hybrid model of work from home and coming to office physically. There is a lot of value in coming to office as well. We will continue to watch the situation closely. And as things go by, we will make the appropriate adjustments. And all I can say is that the infrastructure has been created and there is no loss of efficiency, regardless of where the location of the employee, and, and all the best practices of the industry are being taken care of.

Sanjay Nayak

The next question is from shareholder J Abhishek. His first question is actually related to the corona virus and subsequent lock down have left virtually no industry untouched. After COVID, how many employees have we sacked, hired and cut salary for (in %)? What will be the growth triggers in first half and second half ? What are new innovations and new product launches did after April 1 and whats the response so far ?

I am happy to say that we did not sack anybody. We really support our employees and the employees have supported the company, and it's because of their hard work and their commitment that our company turned around in the performance. In addition, I would also like to say that, you know, we had like, probably most of the companies that we are very large employee base. Two of our employees succumb to go after battling as well as they could have and company provided all the support that we could during their illness. And even after their demise, we have taken a decision that two years of salary will be given as ex-gratia salary to their family.

In addition, we also gave salary increases to all the employees, and we believe in motivating them. In fact, we also give RSUs to the critical employees and senior employees in the company. So all aspects to make sure that the employees are taken care of. They're committed and delivering for the company, and we are the management are making sure that we are taking good care of them.

The second question I already answered in terms of the growth triggers for the first half and second half in terms of the fundamental drivers at macro level for India and international businesses. So, I will not go into that.

The third question is what are the new innovations and new product launches did after April 1 and what has been the response so far? For those new products, I would actually request to my colleague, Arnob Roy to take a crack at this.

Arnob Roy

The R&D team made several product releases during the year, but among the most significant innovations that came out of Tejas last year – the first one was releasing our converged access platform and upgrading it with fixed wireless access technology over LTE. This has been one of the unique innovations from Tejas and I'm glad to say that it has been adopted by a major wireless operator in Malaysia, who has deployed close to 100 sites for wireless broadband services to customers.

Another significant innovation release has been 400G, 600G DWDM transmission for high-capacity core networks over optical fiber. This is really state-of-the-art in DWDM transmission and a major upgrade from the earlier 100G-200G line rates that were deployed. So, this our technology has passed successful field trials in three operators' network, and is being deployed by a wholesale bandwidth services operator in Africa in a very significant way. We hope to bring more customers during this year.

The third major innovation has been the release of a high-capacity GPON XGS-PON fibre-to-the-home solution. This is the high-density, high-capacity 64 port, 124 port OLT and associated ONT devices and this has been deployed significantly in the state Bharatnet networks in India apart from many other smaller networks. So, these have been solve the significant innovation that releases that have come and which have also found successes with our customers.

V Balakrishnan

Thank you, Arnob. I think we answered all the questions. And we are always happy to answer any questions, you can send out an email to us.

We had 44 members participating today in the 21st AGM. So, we are grateful to our shareholders who joined us today.

Let me now come to the last item on the agenda. The Board of Directors appointed Dwarkanath C, company secretary practice as a scrutinizer for e-voting process. I hope all of you have gone and taken part in the polling. Further, I authorize the Company Secretary, Ravi to declare the results of the voting and place the results on the website of the company at the earliest. The resolution that set forth in the notice shall we deemed to be passed today subject to the requisite number of voted for the combined results of remote e-voting and electronic voting during the AGM. This report shall be communicated to the stock exchanges and also placed on the websites of the company and NSDL.

Thank you for attending the meeting. With this, I declare at 21st AGM as closed. Thank you everyone.