



Chairman's Speech

Good afternoon Shareholders,

I welcome you all to the 20th Annual General Meeting of your company. On behalf of the Board of Directors of Tejas, I thank you all for joining us today.

The recent pandemic caused by COVID-19, has resulted in a new normal and for the first time, I am connecting with you all over video conference. In this current situation, when we all are working remotely, I can proudly mention that Tejas is one of the enablers of remote connectivity since it provides the telecom equipment required for building such robust networks that can handle the sudden surge in network demand.

FY20 was a challenging year for us with both the revenue and profitability declining due to challenges in the telecom sector in our country, accentuated by the COVID crisis during Q4. Our revenue declined by 56.7% while the gross margins declined to 35.6% of the net revenues. Consequently, we made a net loss of Rs. 237.12 crore. With delay in collection of receivables from certain large PSUs accounts, our receivable days also increased. The silver lining is our strong cash position of Rs. 280 cr combined with our zero debt position.

The uncertainties related to COVID-19 are difficult to predict. But, we clearly see new opportunities opening up for us. We have already started witnessing the wave of enhanced culture of work-from-home, videoconferencing, video streaming and video calling applications coupled with emergence of new technologies like 5G. Post COVID-19, significant growth is expected in the fiber-based home broadband leading to greater investments by telcos and internet service providers, to keep pace with the huge growth in network traffic. From where I see, this definitely looks like one of the best phases coming for the telecom industry across the globe which could be beneficial to our business.

We aim to increase our international sales and reach 50% of our revenues from export markets in the next 2-3 years. We have increased our investments and are gaining traction in SE Asia, Africa, Mid-east and North America. We are also seeing new opportunities coming our way, as our global customers look to de-risk and diversify their supply chain investments in the wake of new geo-political environment.

As a leading pure-play telecom product company from India, we are also well positioned to capitalize on the opportunities opening up due to Government of India's focus to create "Atmanirbhar Bharat".

We had also taken several steps to reduce our costs, re-focus our investments and be relevant to the new normal. We are facing a global pandemic today and it has made the life of people in general, tough & challenging. However, as quoted by Helen Keller, "Character cannot be developed in ease and quiet. Only through experience of trial and suffering can the soul be strengthened, ambition inspired, and success achieved". Every person today, working for Tejas, is fully geared to face this trial with perseverance and come out triumphant.

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

We are more relevant to our customers today than in the past. We are confident that our strategy will help us to tap the opportunities in front of us and get back to the growth path soon.

I now invite Sanjay Nayak, the CEO and MD of your Company, to address the meeting.