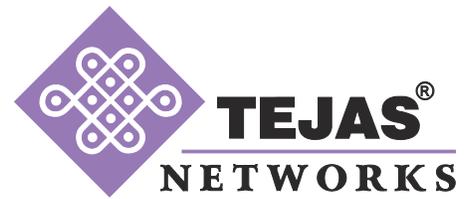


Tejas Networks Ltd.

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August 21, 2019

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: Transcripts

Please find enclosed the transcripts of the 19th Annual General Meeting of the Company held on July 25, 2019.

We request you to please take the same on record.

Thanking you,

Yours sincerely
For Tejas Networks Limited



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

PGI001

**July 25, 2019
05:30 AM EDT**

- Balakrishnan V: Good afternoon, everyone. I welcome you all to the 19th Annual General Meeting of Tejas Networks. Before we start the main proceedings of the meeting, I request all my colleagues in the dais to introduce themselves. My name is Balakrishnan. I am the independent member and Chairman of Tejas' board.
- Sanjay Nayak: I'm Sanjay Nayak. I'm the CEO and Managing Director of the company.
- Venkatesh Gadiyar: I'm Venkatesh Gadiyar, CFO of the company.
- CB Bhawe: I'm CB Bhawe. I'm one of the directors of the company.
- NR Ravikrishnan: So I'm Ravikrishnan.
- Gururaj Deshpande: I am Gururaj Deshpande, a director of Tejas.
- Leela Krishnamurthy Ponappa: I'm Leela Krishnamurthy Ponappa, independent director.
- Arnob Roy: I'm Arnob Roy, Chief Operating Officer of Tejas.
- Kumar Sivarajan: I'm Kumar Sivarajan, CTO of Tejas.
- Balakrishnan V: The Register of Director Shareholding is kept open near the recession counter and is available for inspection by any member. The Register of Proxies is also available for inspection near the recession counter. The required quorum for the meeting is present. We have 33 proxies and 53 members present here. So since a quorum is present, I call the meeting to order.
- I confirm that the Chairperson of the Audit Committee, Chandrashekhar Bhaskar Bhawe, and Chairperson of the Stakeholders Relationship Committee meeting, Gururaj Deshpande, are present in the meeting for members to ask any questions. I confirm that the statutory auditors Pricewaterhouse and the secretarial auditor, C. Dwarakanath, is also present for in the meeting for any shareholders to get any answers.
- With the consent of members, I take the notice convening the meeting as read. Thank you. Now we'll start the proceedings with the Chairman's address.
- Good afternoon, everyone. I welcome you all to the 19th Annual General Meeting of your company. On behalf of the Board of Directors of Tejas, I thank you all for joining us

today at this event. We are in the age of extreme disruptions that are transforming every industry beyond what we know. We have built a pioneering deep technology product company from India with very strong foundation and sustainable moats around our business. During fiscal year 2019, our revenues grew by 18.5% to reach 877 crore, with our EBIT growing by 42.3% to reach 130 crore. Our Board of Directors had recommended a maiden dividend to our shareholders which will be paid in due course, subject to the approval of shareholders.

High-speed internet and digital connectivity are critical elements of our new digital economy. As the world's largest carrier of internet traffic, India is clearly leading this trend. And the total data usage in the country is almost doubling every year. We have built high-capacity optical transmission and next-generation broadband access products that are foundational to modern telecom networks that will play a critical role in enabling the digital highways of the future.

Digital economy is core to India's journey towards a \$5 trillion economy and we have the right products to enable the high-speed broadband networks that will power this journey towards the \$5 trillion. In India, large opportunities exist for us in both private and government segments. On the India private front, the industry consolidation is almost over, resulting in three large telcos remaining in the industry. Providing reliable high-speed connectivity will be the focus area for all these telcos. In addition, the new 5-year adoption will open up newer opportunities for us, since networks will be required to carry a lot more data and also require faster response time. On the India Government front, we are the largest supplier of communication equipment to several large critical infrastructure projects in the power, rail, metro, and oil and gas sectors.

Besides this, the large USOF projects such as the next phase of BharatNet will continue for several years and offer opportunities for us. We are particularly enthused by the Government of India's vision to make India a global telecom manufacturing hub under several favorable policies they have enumerated over the last few years to achieve this. We are one great example of the success of Make in India initiative by the Government of India.

Our business model is predicated on predictable, sustainable, de-risked and profitable growth. Today, majority of our business comes from India, with heavy focus on government business. Our medium-to-long term focus on de-risking of business model is to achieve at least 50% of our revenues from international markets. This will be achieved through significant investments in sales and marketing efforts in this region. Our international operations have grown significantly year-on-year, with a strong showing across all regions. And going forward, growing direct sales in international geographies will be the cornerstone of our strategy. The global addressable market for our products today exceeds \$18 billion. Our focus is primarily on Southeast Asia, Africa, Middle East, along with Mexico and USA.

We operate in a highly dynamic industry, characterized by rapid technology advances, diverse customer requirements, evolving industry standards, and competitive pressures. We have a highly differentiated approach whereby a substantial part of our operations, including R&D, manufacturing, and G&A are based in India. Also we are able to tap into the best and the brightest talent offered by India, which enables us to achieve significantly higher productivity on our R&D investments. This results in significantly lower operating expenses as compared to our global competitors, and enables us to deliver superior return to our investors. Our continued investments in R&D have created a strong technology moat in the entire industry.

In the highly competitive world, companies should focus on their core competencies and align with the right outsourcing partners to create asset-light, scalable and competitive business models. We partner with leading EMS companies in India and outsource a large part of our manufacturing. This allows us to significantly reduce CapEx costs, as well as working capital needs, while providing virtually unlimited manufacturing capacity. To reiterate, we are building a cost-competitive, highly differentiated model, focusing more on private and international markets to achieve the end result of predictable, sustainable, de-risked and profitable business.

During the year, we added two new members to our board, CB Bhave who was a former SEBI Chairman and the first chairman and managing director of NSDL who has joined us as an independent director; along with Arnob Roy, the Chief Operating Officer of Tejas Networks, is now a whole-time director of our board. On behalf of the Board of Directors of Tejas, we thank the government of various countries where we have business operations. We also thank the Government of India, particularly the Minister of Communications and Information Technology, the Minister of Commerce, Minister of Finance, the Minister of Corporate Affairs, Customs and Excise Departments, Income Tax, Reserve Bank of India, Kamataka State Government, and other government agencies for their support and look forward for their continuous support in the near future.

We are grateful to our customers, the employees, shareholders, suppliers, and bankers; all of whom have played a major role in making this landmark year for the company. We see a strong growth potential in our business and we are confident that we have a solid strategy to deliver outstanding success in the coming years. With this, I conclude my Chairman speech. Now I invite Sanjay Nayak, CEO and MD of our company, to address the investors.

Sanjay Nayak:

Thank you, Bala. And again, welcome to the AGM for Tejas. Over the next few minutes I'll be walking you through the vision of the company, what progress we are making, and how do we see the future for ourselves. If you really see -- is the presentation coming? Once again.

Okay, if you really see the business that we are in, we're actually in one of the most exciting industries in the world. In some or the other way, we are all using internet. We are all using high-speed data connectivity. We're all using social media, e-commerce, name it what, right? And anytime that you use any of these facilities which are only going to increase and make a deeper impact in our lives, you need a very high capacity network, which is going to transport all this information from point A to point B. And the business that we are in is essentially enabling that. So on the good news side, we are in the absolute right business that over the next many, many years to come is going to be the backbone infrastructure that any economy in the world which is going to become a digital economy is going to have.

So I think this is a very exciting time for us to be in the industry. For example, the world used to consume 1.5 zettabits per year in 2017. And that number is going to triple to around 4.8 zettabits per year in 2022. So there is going to be a continual increase in the consumption of data. You have all heard about 5G which is going to be a network of Internet of Things in addition to networks of human beings, and so on and so forth, which in turn will require even more capacity, even more networks, which is also going to have furthermore a positive impact on our business. So I just wanted to make sure that the macro trends for our business are very, very exciting to go forward.

Coming to the second part, so how big is our industry? What is our market opportunity and how are we addressing it? And those are the things that I'm going to be covering in my presentation. So the equipment market, the optical transmission equipment that we sell, which is where primarily our products are, it's a \$15.5 billion industry per annum, going to about \$18.7 billion over the next few years.

Another segment which we have opened up in the last couple of years is fiber to the home. This is the GPON equipment and I'm sure many of you in the audience are going to be using the fiber to the home technology to get high-speed broadband network in your homes over the next few months or few years in India. That market is about \$6 billion per year, going to \$7.6 billion over the next few years.

There's a third segment of the business which we are entering with some of the new products that we have developed which are going to be commercially going into high volumes this year, is the fixed wireless access. What this means is that there will always be lots of places, lots of network points where you cannot take a fiber optic connection. And those connections have to be at least on a high speed wireless network, which can be 4G today and 5G in the future. So those are also the applications which you will be able to cover with the products that we have. So if we really see it together, we have a fairly large addressable market for our products. The opportunity clearly exists, and we as a company need to execute and get to that stage, so that we can take a big share of this opportunity in the form of success for our company.

If you go into India specifically, because it's a large market for us, around 80% of our revenues last year were from India. India is going to be one of the fastest-growing markets for data in the world for the next few years to come. And the reasons for them are very fundamental. Today while we have mobile broadband coverage and everybody has a smartphone or a lot of people have smartphones, the home broadband or the enterprise broadband is still not there. We still don't get 100 megabits reliable connection at home at affordable cost. That revolution is about to happen. And in the next few years, from 20 million home broadband connections, it is expected that there will be more than 100 million home broadband connections. So we really will see an explosion of network capacities starting from the homes.

Similar thing exists for the enterprises, especially the MSMEs and the other enterprises which are currently just using a rudimentary form of communication infrastructure in their offices. Sooner or later they will all be upgrading to 100 megabits or faster speeds in their businesses. Because if you really see it today, every business is enabled by some form of internet connectivity and that is going to grow.

The third aspect of India which is going to driving the growth is while we have a lot of mobile towers in the country, you'd be surprised that only 20% to 25% of the mobile towers currently have fiber optic connectivity, which basically means that three fourths of the towers are still not connected to high speed data and high speed backhaul. And that is one of the reasons why you do not get very high speed connectivity on your mobile phones. Because the choking point is the tower from where data comes back.

In other economies in the world, like China or US, about 85% to 90% of the cell towers are connected on optical fiber. So as a result, there's a significant amount of pent-up demand in India to basically fiberize these towers and actually carry more data. The good news for us is that when 5G happens, there is an expectation that there will be 10 times more telecom towers than there are today for 4G and 3G and 2G together. So as a result,

not only you have a higher amount of backhaul coming from every tower, you'll also have 10 times more tower to cover all the different things that need to get connected onto a 5G network.

The last but not the least, and you would have heard even the new government talk about it that currently only 100,000 villages in the country are connected on and on telecom network as a part of the BharatNet Project. They have a clear target to connect 250,000 villages by March 2020, which is not too far away, on optical fiber and really give high speed broadband to all the villages in India. The net impact of all of this is that we have a large home market. Around the world in our industry there's a very simple trend, whichever is the company which is in the home market gets a market access advantage. So Chinese companies do well in China. US companies do well in the US. So there's a similar opportunity for Tejas to do well India, and we clearly will continue to focus on India as a part of our growth plan.

The next part I want to talk about is, what are the sustainable competitive advantages of the company? Because we compete in an industry where we have very large competitors, either from China on one side or US and Europe from the other side. We really are in an industry where we compete with, as we call, the big boys of the world. But what our company has done extremely well is figure out a way to compete in a very tough industry. And as a result, in an industry where there's continuous consolidation happening, many, many companies which were significantly large corporations 10 or 20 years back don't even exist. In that competitive environment, our company has found a way to sustain itself. And now we are on a threshold that if we can execute very well, we can grow and become one of the largest players in the industry in the world. And what are those competitive advantages? The number-one competitive advantage is that the amount of software that runs on telecom equipment has dramatically increased over the last 10 or 15 years.

So 15 or 20 years back, hardware used to be the main component in equipment, and countries like China did extremely well, because they had a very strong, hardware manufacturing ecosystem. Over the last 10 years and more recently with the 4G and 5G coming, software is really the ingredient which makes it very, very competitive and makes the equipment stand up against others. And India is a country, it has an advantage in software. And we believe that all of that core DNA of the country's advantage in software can be utilized by us.

The second thing we have done is we have come up with a very innovative product architecture and I would encourage you to actually see some of the products that we developed, electronics that we developed, at the backside of the hall. Those products are on the display. One of the things I must tell you is that we have really created a lot of innovation in terms of taking multiple technologies and bringing it all together in what could be considered like a Swiss Army Knife. The same product can perform multiple functions. So from a customer perspective, you would have had to buy 2-3 different kinds of equipment to do the same thing, whereas for Tejas, he can do it all from the same product and that allows a lot of benefits in terms of competitive advantage in terms of cost, operations, maintenance, and of course from our point of view incremental amount of R&D can enable new features.

Our products are future ready. So once we sell those products into the field with software updates or upgrades in new hardware, we are able to make sure that as the network matures from 2G to 3G to 4G and then to 5G, we are able to keep pace with it and we can

invent new stuff that goes along with those products and really make sure that the life of the equipment and the scalability is there for many years to come.

And the last part of it is the business model. Because while we can create the right technology, we can make the right sales. Unless we have an innovative business model and deliver financial performance, I think we'll not have done the right things. So I'm very happy to say that using India cost advantage, as Bala mentioned earlier, we've been able to do 4 to 5 times more R&D for the same dollar that a US company would typically do by doing all our manufacturing in India. By having substantially all our operations in India, we have a very lean and mean organization in terms of our cost structure, which allows us to make sure that the price that the global competition, for example the Chinese set, even at those price points we should be able to have good financial performance which we have delivered in the last financial year. And Venkatesh Gadiyar, our CFO, will actually talk about what kind of financial performance we've been able to sustain.

During the last financial year, we launched the world's first ultra-converged broadband access product at the Mobile World Congress. Mobile World Congress is kind of the number-one event in the world in the telecom industry. And at that global stage, we were able to announce that we have come out with an innovation that from the same product on one hand you could do GPON or fiber to the home based on broadband connectivity applications, or you could do 4G or 5G based application on wireless. We have this amount of convergence, this amount of technology. We are very, very proud that we were able to showcase at the world's top event. And I'm again very happy to say that this product has won multiple awards at international levels as well at the national levels, which is again a testimony to the kind of R&D talent that we have in the company and the innovation that we are able to do from our company over here.

Today, with the investments that we've been making in R&D over the last several years, and we invest around 11% or 12% of our total revenues into R&D every single year; we have actually created an entire portfolio of products where you can build a network which starts from megabits of capacity and goes up to terabits of capacity. So we really can build an end-to-end network with our products, and again, at the edge of the network we have the 1400 Series of products and at the core of the network we have 1600 Series of products, which allow you to build multi-terabits networks with the latest technology, latest standards, which are used in the world.

So what's the strategy for the company in the medium term? And medium term we define over the next 2 to 3 years. So number one is really think we have a large home market advantage in India and we are -- in almost all the operators in the country, we are a major supplier. And we really want to use the incumbency that we have in India to grow our business. And as I described to you earlier, India is going to be one of the fastest-growing markets for our kind of equipment. And with the home market advantage with the incumbency, once we start winning new applications in the existing customers, we should be able to increase our market share.

The second thing which is very important for the company, as we achieve our objective and dream of being a truly global company, we really expect that in the medium term more than half our revenues should come from international operations. While we have made good success so far, we've been making significant investment in all the international geographies and we really want to leverage that to achieve sustainable growth over the years.

The third pillar is continue to invest in R&D and really create product differentiation. We really want to make sure that our products are best-in-class. We should be able to stand up against the best companies in the world and customers should feel confident and happy that they have selected Tejas because of technology, future proof, and all the latest capabilities that are available to them at very competitive cost. And above all of this, make it such that we can deliver consistent and strong financial performance.

In this account, I just wanted to kind of give you a little bit of insight of how the blend of business is changing. So what we have carved out on the slide is if you really see on FY '18, about 61% of our business used to come from government, 22% used to come from private, and only 17% used to come from international. Whereas in FY '19, we have continued to invest and build more run-rate business, which is India private and international. So the contribution of India private-- India government on a larger base, 18.5% larger base, came down to 55% from 61%. India private went up to 24% and international went up to 21%.

One other thing which I would like to highlight is a few years back, about 3 or 4 years back, all our international business primarily came from OEM, which is someone else was taking our products and were not selling under Tejas brand name, but some other customer's brand name. Today we are very proud to say that most of our international business is now coming under Tejas' brand name. We have built our direct sales channel, and that is the fastest-growing part of our business.

So last year we grew 70% year-on-year on the international direct business. The India private grew by 28% and we have reduced the dependency on India government. If I were to look at FY '20, we will continue to reduce our dependence on India government and increase our revenues from India private and international, which you will see as the results start coming out. Net-net this allows us to make a business which is more sustainable in terms of predictability, in terms of longevity, and of course as you go more international, the gross margins also have a possibility of improvement which we'll start to see as the years go by.

In terms of where in the world are we going, we are very, very clear in markets where we think we have a significant competitive advantage. So our focus, of course, will continue to be in India, which is a \$1.5 billion market and growing. We are going to be focusing on Southeast Asia. These are countries like India, in Bangladesh, Sri Lanka, Vietnam, Malaysia; these are countries where we have got already good success. And on the base that we have, we are going to be making more sales investment and significantly increasing our revenues. And this is around a \$1.9 billion per year addressable market to us.

Africa and Middle East is another market which has very, very strong growth potential for us. Africa as a continent is seriously underdeveloped in terms of telecom infrastructure and we have a great opportunity to really become a competitive player and get significant market share. And the last market that we are going after is North America, which is US, Mexico. And that's a market which is one of the largest markets in the world, \$4.7 billion per year. We believe we have strong enough technology, strong enough products that we can make success in the North American market. In fact, recently we had announced that we hired the head of sales for North America as well.

Today we have customers in more than 75 countries around the world. We have nearly half a million of our products working consistently with 99.9999% uptime performance, which shows world-class quality. And internationally, our brand name, our success folio

is really becoming very, very credible. Today in a geopolitical world when people are looking at alternates to either US or Chinese companies to build their networks, Tejas and Indian companies are really coming to the forefront, and I'm very happy to say that many customer successes of late are also coming because of our ability to provide the latest technology of the highest quality at the lowest cost and in a trusted manner. So we'll continue to grow our international business and we think that the success we have had in the last year gives us a solid foundation to get to the next stage of the growth.

At this point in time, I would ask Venkatesh Gadiyar to walk us through the FY '18 and FY '19 financials, after which I will come and summarize the overall business scenario again.

Venkatesh Gadiyar:

Good evening, everyone. Our business model is equipped to be profitable in a challenging environment. Our manufacturing is outsourced to EMS companies in India. As we have a handicap in lower economic soft scale, we continue to maintain our gross margin close to the industry benchmark level and a portion of the revenue comes from India, which is most the competitive market of the world.

We are a technology company. We continue to make significant investment in R&D. More than over half of the employee strength (ph) is in R&D. Since our R&D is based out of India, we can do 4 times the R&D for the same cost compared to the Western peers. On a fully expensed basis, we have invested about 13.2% of our revenues towards the R&D. In addition to India, we continue to focus our international sales in North America, Mexico, Southeast Asia, and Africa which have large potential markets. Our SG&A costs are half of the global peers, as we use effective back-end channel for the support activities from India. With all this, we have achieved a healthy operating margin of 14.9% last year. Most of our operating costs are quasi-fixed in nature, which is manpower cost. We expect our operating costs to be in the range of 14% to 15%.

These are the financial trends. While we have volatility in the quarterly revenues, our revenues grew about 13% on a 3-year CAGR basis. While we continue to invest in sales and marketing and R&D, we achieved 20% CAGR growth on the operating profits. For FY '19 our operating profits grew by over 240 basis points. While we had maintained our growth in the operating profit, a reduction in the finance cost and an increase in other income resulted in rupees 150 crore of PBT during the year which saw a 3-year CAGR of about 74%.

A large part of our operating expenses are fixed in nature and which gives us the operating leverage to increase the profitability with an increase in the revenue. About 65% of the gross operating expenses comprise of the employee costs. As we have mentioned earlier, R&D is our major strength, as on date we have filed around 349 rich (ph) patents and our investment in R&D grew at 21% CAGR over the last 3 years.

We have invested in international sales to strengthen our revenues in the geographies where we operate. Over the last 3 years, our sales and marketing expenses grew CAGR of about 11%. Our medium strategy in about 2 to 3 years, our strategy is to increase our international revenue to reach 50% of our total revenue.

Our G&A expenses are under control. Post listing, we have repaid all our borrowings which resulted in the reduction in the finance charges. Additions to fixed assets were about 2% to 3% of our net revenues. We manufacture our products in India through our partnership with reputed contract manufacturers helping us to stay asset-light and cost efficient in production.

We have listed in FY '18, resulting in an increase in the net worth and the cash and equivalents in that year. We continue to be a practically debt-free company. We have significantly brought down our working capital days to 140 days level in FY '18, while we better managed our inventory and payables. The delays in payment from one of the large PSUs resulted in the increase in the working capital days and the reduction in the cash and equivalents in the last year. However, we believe that there is no collection risk, since these dues pertain to the Indian Government's BharatNet project, for which a specific fund has been set aside, which is a universal service obligation fund. We expect to collect these overdue amounts and normalize this working capital in the near future.

In summary, we had a strong revenue growth on a year-on-year basis, while we continue to expand our profitability. This strong financial performance gives us the ability to invest further in the growth phase. Now I request Sanjay to come again and summarize.

Sanjay Nayak:

Thank you, Venkatesh. So just to quickly recap where we are, so what I said is the fundamentals of the business, the data growth continues. And we will continue to be seeing a favorable environment for us in terms of expanding our business both in India and internationally. We will continue to increase our international sales investments, because the products are already there. We just need to go and reach a larger set of customers, have local presence in those countries, participate in more trade shows, more industrial events so that our brand and our products are more well-known around the world.

The India business will continue to see growth. There will be lumpiness in the government business, because it is dependent on large orders, the timing of which sometimes is not necessarily in our control or in our hands. But those orders are good orders. They're all under the Make it India scheme, which I think the government is continuing to support and they really want to accelerate. And we believe that we should be able to gain from that as well.

Last, as Venkatesh said, while we will have quarter-by-quarter fluctuations in our performance, we will definitely see that we have come up with a very sustainable and robust business model where we are able to deliver healthy profits, we are able to grow the profits, and we are really confident that we execute in terms of our international success. If we execute in terms of the R&D projects that we are doing, I'm very sure that we will be able to achieve the opportunity that lies ahead of us, which as you know from a data growth is very, very large.

At this point in time, I would of course like to thank all the members of the board who have been supporting the management team and the employees for their support to the company, to all the employees who are really the pillars and the backbone of the company in every single function, all the stakeholders, the banks, the auditors and the government agencies who have supported us. And I must tell you that there's a lot of goodwill we get in terms of the kind of stuff we are doing. And there's a lot of acknowledgement that in a tough industry Tejas is probably one of the few successes in India which has built a deep technology product company from India and has already gone global and has an opportunity to become a force in the world in the years to come. So thank you again, all the shareholders and all stakeholders, for your support to the company. Thank you.

Balakrishnan V:

Thank you, Sanjay and Gadiyar, for the wonderful presentation. We now come to the formal proceedings of the meeting. Before we proceed, I am pleased to bring to your

notice that as referred under the Companies Act, the company provided you the facility to cast your vote electronically on all the resolutions set forth in the notice. Members who have not cast their vote electronically and who are present at this meeting will have an opportunity to cast their vote through electronic voting system. Members may please note that there will be no voting by show of hands. So anyone who has not yet cast their vote can do so now.

Further, members can seek clarifications and offer comments and items of business, if any. Mr. Dwarakanath, Company Secretary in Practice, has been appointed as a scrutinizer for the e-voting process. The results of the poll shall be displayed at least 3 days on the notice board of the company at the registered office and will be placed on the company's website too. Also the scrutinizer's report will be placed on the website of the company and on service provider's website within 48 hours from the conclusion of the AGM.

Now NR Ravikrishnan, the General Counsel and Compliance Officer, has to read the auditor's report. With the consent of members, can I take it as read? Thank you.

Now we take up the resolutions as set forth in the notice. We'll take all the questions at the end of all the resolutions, which I read out. The first one is adoption of accounts. The financial statements of the company, including the consolidated financial statements for the year ended March 31, 2019, including the reports of the Board of Directors and auditors, have already been provided to the members. That is the first resolution.

Second one is on declaration of dividend. The Board has recommended a maiden final dividend of rupees 1 per equity share and to authorize the Board of Directors of the company to do all such acts, deeds, and things and execute all such documents, instruments and writings as may be required, and to delegate any other powers therein to the committee of directors.

The third resolution is on reappointment of Sanjay Nayak as a director liable to retire by rotation. Fourth resolution is on reappointment of Sanjay Nayak as Chief Executive Officer and Managing Director of the company. The proposal is to appoint Sanjay as Chief Executive Officer and Managing Director of the company for a period of 5 years from January 1, 2020 till December 31, 2024 and approve his revised remuneration with the effect from April 1, 2019 as a special resolution, and to authorize the Board of Directors of the company to do all such acts, deed and things, and execute all such documents, instruments and writings, as may be required, and to delegate all or any of his powers herein to the committee of directors or executives of the company.

The fifth resolution is on appointment of Arnob Roy as director liable to retire by rotation and as Chief Operating Officer and full-time director of the company. The sixth resolution is the appointment of Mr. Chandrashekhar Bhave as an independent director, not liable to retire by rotation. The proposal is to appoint him as an independent director of the company for a period of 5 years starting from March 25, 2019 till March 24, 2024, not liable to retire by rotation as an ordinary resolution, and to authorize the Board of Directors of the company to do all such acts, deeds and things, and to execute all documents, instruments and writing, and delegate any powers to the designated officers.

The seventh resolution is for borrowings in excess of paid-up capital and free reserves. The proposal is to borrow in excess of paid-up capital and free reserves by way of special resolution and to authorize the Board of Directors of the company to do all such acts, deeds and things, and execute all such documents, instruments and writings as may be

required, and to delegate all or any of its powers to our designated executives of the company.

The eighth resolution is the appointment of branch auditors. The proposal is to approve the company to appoint branch auditors for carrying out the audit of the accounts of such branches as an ordinary resolution, and to authorize the Board of Directors of the company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required, and to delegate all or any of its powers therein to the committee of directors or executives of the company.

So I have read out all the eight resolutions. And if you have not voted, please do go and vote now. The text of the resolutions along with the (inaudible) statements is provided in the notice circulated to all the members. Now any member of the shares class (ph) can ask any questions pertaining to any items in the notice, he or she may do now.

Please?

Unidentified Participant: Yet again, celebrations today. In fact, it is a festival look, actually. The company has a very festive look. I had an opportunity to attend to the other meetings also, in fact. I have (inaudible) Tejas meeting, especially to make it a point that I (inaudible) at any point of time, I will talk on this. Mr. Chairman, honorable members of the board, and learned friends and my dear shareholders; excellent presentation by Mr. Sanjay. The labors (ph) unlikely will not be able to understand. If you have just given a speech on this without the presentation, the presentation is so well (inaudible). I am confident now that I'll be able to know what exactly it is the company is doing now, like the 5G and (inaudible) which you have not -- some of the things which you have noted that I'm confident that the company would be able to take this with the new environment of the new government, which is supporting the software (inaudible) and that the economy is going to be the 5 trillion in the growth. Definitely, the company will take this opportunity to see that they will be able to make the good profits. In fact, first time that I came here and the atmosphere was excellent, and as I told you, the people on the dais have come up with smart t-shirts without any formal (inaudible).

In fact, this I will carry out. I would like to put an incident here. This I'll carry out to a small village in Vellore district. Then I just expressed to them, they are also conducting the board meetings of a small bank, a very small bank in that region. And I told them, these are all the things which have been done by our Tejas team, top team wearing the t-shirts and coming onto the AGMs. This year I was surprised to receive a note from them and asking me to attend the meeting. To my surprise, everybody came in with the t-shirts, the entire board came with the t-shirts in the (inaudible). Added to that, not only t-shirts, they came with (inaudible).

Okay, as for us, let me come to the business now. The company has made profit. The EPS is good. And I would like to mention here that the achievement with trade receivable was on the higher side. Just to throw some light on that and the cash holdings which has been reduced to 16 crore (ph), probably you must have read about it at something in the bank with (inaudible), and the balance on the crores I do not know. Nothing has been mentioned on that.

So finally, coming to the AGM (inaudible), it was really a fantastic where (inaudible) members of the board, their house is very full. The full house it is there. Last time when we came here, the rest was not that. But now the people have realized that they're attracted to the meeting also. Next time also people will say that they'll be able to attend

to the meetings. Secondly, I would request the board to see that the meeting every time conducted on this place. I conclude my speech on this. Thank you very much, sir.

Balakrishnan V: Thank you for your kind words. And I will ask Gadiyar to answer your question.

Venkatesh Gadiyar: Yeah, about the cash and equivalents, it has mentioned in the financials separately, other bank balances is 106 crore and deposit with the financial institution about 160 crore, and deposits with more than 12 months it is around 0.12 crore. And investments in the liquid mutual funds is about 86 crore.

Then coming back to the receivables, there was a pending collections from one of the PSU customers, which was due for a long time, which we believe it's a collection that's not dead. And we are pursuing with the government to make the payment at the earliest, which we believe in this financial year or in the next few quarters we should be able to get that. Thanks.

Unidentified Participant: Good afternoon, sir. Okay, can I start? Okay, myself, (inaudible). I'm a small shareholder. In fact, I feel proud to come here, because this is one of the few product companies doing well in our country. Because in our country, software services do very well. But product companies don't do that well. I feel happy, sir, to be a part of your celebrations today.

But I have some queries. Mr. Nayak made a good presentation. I think he had mentioned somewhere between \$8 billion to \$10 billion opportunities. Am I right? Now, my simple question is, why not we grab a fraction of that as an opportunity? Fraction means a million dollars. Why not we become a million-dollar company? That is my point, okay?

Now other thing is, it was nice to see your equipment there and also happy to see it is a state-of-the-art with software built. I just want to know whether artificial intelligence is also built, like giving some data about maintenance, any of the bad fault line (ph) and all. And other thing is, R&D, I am extremely happy, because when even the leading companies spend only 1% or 2%, you have spent some 13%. And even the public sector also is a billion, spends much less than that. I feel happy. But when I drill deep into it, the capital expenditure on the R&D is 3 crore. And even in the revenue side, somewhat around 65 crore is the employee salaries.

Now I would be happier if you are spending more in the capital side, because that is a real thing. And I'm also very happy that something like around 40-some patents have been filed. My experience with filing of some patents is filing patents is easy. But taking value from it is not easy. So what is the return on your recent patents? How many of your recent patents have been actually productionized?

Then finally, sir, as an investor, I am keen to know, what are the risk factors? You told only some of the good things. Now, what are the risk factors here? If you can throw some light, because as I see, this an industry where standards are rapidly changing. And then are you capable of being nimble (inaudible) to some change of these standards? Then maybe there will be some other risk factors also.

And then the other thing is, the trend nowadays is to include the innovators, start-ups, as part of your ecosystem. Now, are you incubating or encouraging some start-ups? Because they have got their own areas which a bigger company like yours don't have. So I think with this as an observation, I would like to thank you. But my real solution to you would be that if you can arrange it in a central place or make an arrangement from our place for pickup and drop, then it will be even nicer. Thank you.

Balakrishnan V: Thank you for your kind words. We try to do it in the city, because of some larger cities, and we are not able to do. We'll take your views seriously. We'll look into it. Now, I will ask Sanjay to answer some of your questions. Probably Arnob and Kumar can also pitch in.

Sanjay Nayak: Thank you, first of all, very insightful questions and I'm very happy that you actually understood the business of the company deep enough to actually ask those questions. So thank you for that. So first question you had is that the \$8 billion to \$10 billion opportunity which is our products into the markets that we are doing, so it's kind of a combination of the two. Why can't we get even a fraction of it? So I think, sir, you're absolutely on the right track. Our vision is that over the medium term or long term, even if we can get 5% to 10% of that revenue of \$8 billion, we will potentially become a billion-dollar company. So I think that is an opportunity which excites us. That is the opportunity which keeps this entire Tejas team working.

So we are working in that direction, and over the last couple of years, once we have started to focus on international, the opportunity is very large. We're really a small fraction. The good part of our business is that once we win a customer, the entry is very difficult. But the scalability of the business is very high. So for example, if a customer is investing \$100 million per year, initial year we may get \$1 million of business. Once we do a good job over there, next year it could give us \$5 million, \$10 million, and the year after it could be \$25 million. So I think that is the kind of scalability which is there in our business. So that's why we proudly announce every quarter how many new customers we have won and so on. So I'm very happy that with what you're saying, the opportunity is there. The company is focusing internationally, and I'm very confident that the results of our investments and the efforts of the team will actually get us to a closer over the period to really realize the full potential of the revenues that exist. So that's point number one.

On where artificial intelligence is built, I would leave it to Arnob or Kumar to answer. The other part which you mentioned that we spend 13% in R&D and the majority of that goes into employee salaries and less into CapEx. Actually that's a very good observation. But that's actually another insight I want to bring to all the shareholders. Today the world is all about software-defined networking, software-defined hardware. That basically means is that manpower is the biggest asset. So actually speaking, the largest amount of our value that the company creates is the brainpower of the team that we have. Hardware, the physical infrastructure, any county in the world can invest. But the kind of talent India has, the kind of minds India has, the kind of talent Tejas has been able to accomplish and as you rightly said, very few product companies in India. We are very confident that that is really the asset. So in the new world, it is actually an advantage for us that we really have to spend very little money in the physical infrastructure on the CapEx side on R&D, which is test equipment and prototypes of the kind that you saw. But the real money and the real value comes from the minds of the people, and we are very happy and proud that we are able to hire the best and the brightest minds that can be hired in India in terms of the product development. So I think it's an advantage that the physical CapEx is lesser and the employee cost is higher in terms of the percentage.

The other points you mentioned about the patents and the value of that, again, I'll Kumar or Arnob Rob answer that. I'll talk a little bit about the -- and the risk factors again, I think, Arnob, you could address some of the competitive risk factors and so on. You mentioned one more point about innovation and how are we encouraging more start-up innovation or are we participating in that. I think it's a very good point that India needs a lot more start-ups which are product start-ups rather than services start-ups. So what we

do in terms of as a company, on an academic basis, we are working with all the leading academic institutions, both in Bangalore as well as in India. For example, we work as part of a CSR program with -- we work with IIT Bangalore in the Electronic City. We work with IISc Bangalore. We work with IIT Madras. We work with IIT Hyderabad.

So what we're essentially doing is we are working with the cutting-edge technology institutions in the country. They in turn have already got incubators. They already have start-ups and young people who are participating in the ecosystem of that academy. And we're really leveraging that, rather than trying to create yet another start-up ecosystem. So we are participating in an indirect way in trying to promote that. And individually many of us actually are the first port of call when any start-ups in the product come in India, in which we are a part, and they informally contact us. For example last year, in Kerala they have a start-up city or an innovation center, and we actually participated in that as a knowledge partner to really help the start-ups in that part.

Last part, in terms of the patents and the risk factors and the artificial intelligence, I will now request first Arnob on that respect, and then he can ask Kumar to talk about the other technology elements.

Arnob Roy:

Hello. Yeah, so let me address the question on risk factors. So as a company, we continually assess the risks and try and mitigate it and have a continual discussion about it. So I'll mention some of the top two or three risks. And then the first one you already mentioned yourself, which is that -- how do you keep on track with the fast-moving changes in technology and standards that are happening across the world? And yes, in fact that is the top risk that we perceive, how to keep our products and technology competitive, state-of-the-art, as comparative to the rest of the world, right?

And so how do we do that? First of all, we participate in the standard bodies. We participate in contributing to evolving standards in technology. So that's the way when we work with the industry and our customers, we are aware of what they are thinking, and also being able to contribute to how this is going to evolve. So we have a first-hand ringside view of how the technology and the world is evolving so that we can incorporate in our products. So that's one part of it.

The second part, we always attend the top trade shows. We are in constant discussion with the top technical officers of our customers to understand how they are thinking in terms of evolving their network. What are their plans for 5G? What are their plans for broadband deployment? So the constant -- we have a dedicated C2 (ph) office team led by Kumar and this team's role is exactly this, participating in standard bodies, contributing to standards, talking with customers to figure out, to really predict how the world is going to change so that we can proactively incorporate that as part of our work. That's the kind of mitigation. So nothing is perfect over here, but that's the way we try and mitigate this particular risk.

The other couple of risks are one is the consolidation that is happening in our industry. So we depend on a lot of our suppliers for building all the products that you see over there. I mean there's very high-end silicon devices, very high-end optical devices. So we are seeing a trend of consolidation over here, where the number of suppliers are actually coming down, because they are getting together for all the business reasons. So what that causes is actually consolidation and the number of suppliers reduces the number of suppliers, which leads to reducing competitiveness over here, right? So that can have an impact of increasing the prices of reducing competition. So that's another risk area that we perceive. And the way we try and mitigate is look at alternate ways of doing designs,

having parallel design activities going on to mitigate this -- find alternative ways of achieving the same kind of designs. So that's the second risk.

The third top risk that we see is the consolidation in our customers. If you see in India the number we had, the number of operators that were there 2-3 years back, and if you see the number of operators out there; there's a handful, right, three or four major operators. So that also leads to a lot more -- this consolidation of customers leads to a few set of customers which everybody is fighting for. So the amount of competition also goes (inaudible) there. So that's another risk perception that we see. And our mitigation strategy is again, focus on certain technologies, certain products. Make them the state-of-the-art where you can really compete with the best in the world, whether in India or internationally.

So these are some of the risks, and of course, personnel as we talked about, the people are the most important part of our business, more than the hardware that you see or the capital investment that you see. So, it is always a challenge for us to attract and retain the top talent, not only in R&D but in sales, marketing, supply chain manufacturing. So that remains a constant risk and something we have to keep a tight watch about.

So there were other questions regarding patents?

Kumar Sivarajan:

There was a question on artificial intelligence and how we are using that. So soon, when you go to your doctor, they will feed all of your symptoms into some machine. And through artificial intelligence and machine learning, it will tell you what's wrong with you. It will also predict that next week you may be having a heart attack. So, we are using the same technologies in our network, network management systems in particular, to analyze and predict faults, as well diagnosis of failures. So those will be part of our product soon. I think that was the artificial intelligence question.

Your second question was on patents and whether we make money by licensing patents. So we are not an intellectual property licensing kind of a company. So we make our revenues by selling products. So our goal of patenting is to protect all the unique ideas, the unique methods of implementation, the novel ideas; all of that that goes into building our systems, so that we incorporate. We don't want anybody to copy them. So our purpose of patents is really to keep our products unique and in that sense the value of the patents is actually captured in the value of our products.

Unidentified Participant: Hi. Am I audible? Hi. I have a question, a couple of questions, one for Bala and maybe one or two for Sanjay.

So Bala, when you were giving your speech, you talked about predictability, sustainability. Well, it's not quite obvious, looking at last year, where those two elements come in terms of the business performance of the company. So if you could throw some light, what is it that is so unique to the business model which brings both two elements out?

And so the other question for Sanjay is, I know there was some public statements about 20% growth in medium to long term. So do you still stand by it or would you be revising it for a larger public market or analyst or shareholder community? And if so, if you are standing by it, when does the year one start from? Is it 2017, '18, or '19? And the last thing that's optional, but if you could throw some light on the revenues which you have been getting or trying to get from the new product initiative, WDM, fixed wireless,

GPON; so that we know where the growth areas or growth stream from the new revenue is. Thank you.

Balakrishnan V:

As you'll all know, we are in the product business. Product business is always a lumpy business, because you get a few orders, for example we are doing the BharatNet Project for the government. Suddenly we get a (inaudible) order, your quarter looks good. If we look at the past, our dependency on government for business was very high. And India is going through their digital transformation and you see a lot of large projects coming out of the government. So when you depend on large projects from the government and these are lumpy product revenues, your revenue fluctuates quarter by quarter. That's why we keep telling all the investors, take a long-term view. Look at last 12 months. Don't look at last one quarter.

So how we are trying to make the business more predictable? See, the business has become more and more predictable, if you focus on international markets and if you focus on private business. Even if you look at the first quarter of this fiscal year, our international business was almost close to 50% of revenues. So while we will focus on large government orders, we can't take our eye off it; more and more going forward our focus is going to be more on international business and private business. I think that over a period of time, maybe 3 to 4 years, will bring in more predictability to the business. At the end of the day, any business has to be more predictable, more sustainable, de-risked and profitable; otherwise there's no point in running that business.

So we are moving in that direction. We are making all the investments. For example, we hired a head of sales in US recently that will accelerate our focus on the US market. We are present in Africa. We're present in Asia. So in the medium to long term, our focus is going to be more and more on predictable private business and international business, and strategically look at government business, which will give us growth in the short term, but it may not be a predictable business. So we have to balance both and move more towards the predictable business. That is what I meant.

Now I'll ask Sanjay to answer the other two.

Sanjay Nayak:

So two questions you had, one was about the 20% growth guidance that we gave in the past and what is the base here, and do we still stand by it? So what we did to address -- so we actually went one step further than that. We said, what exactly is the message that we want to give the investors in terms of them understanding the business better? So at the end of quarter four, and that was by the way after talking to a lot of investors and getting their feedback. So what we felt is that rather than giving a magic number of growth, it is far better if you can give them far more information about the different aspects of our business.

So we actually broke down the business, saying that we really have four different kinds of customer profiles within the company: the India government business, and within that we have the lumpy business which is the BharatNet BSNL; and then we have the critical infrastructure, which is actually a run-rate steady business. Then we have the India private business and then we have the international business. These are the four pillars of the business.

So rather than giving a magic number, we basically start dissecting them in terms of how each of those four businesses are doing, what is the trajectory of each of those four businesses; and in fact, in my presentation I actually specifically carved out. Then we said, hey, for this year, for example, if you see year-on-year basis, India private grew

28%. International direct grew 70%. And what we are saying and calling out is that we see similar momentum in terms of international this year or private this year, and critical infrastructure. And the lumpy part, it's really something that we don't really have a time control on.

So coming back to the question about what is the new guidance or is there a new guidance, we said there is no value to giving a guidance, because it doesn't really benefit the investors. We'd rather give them more information, more depth of the business, which we believe investors appreciate it. So coming back to what is the actual new guidance, I think the gentleman who asked there earlier really set the stage. \$8 billion to \$9 billion is a clearly addressable market for us with our products into the specific markets. When and at what rate can we address a percentage of that business is really subject to our execution. Rather than worrying about what's the end goal, we are focusing on the process. And the process is focus on international, make sure we're invested in the right direction and the right countries. We build up initial customer successes, grow those customers to larger and automatically things will start taking care of themselves in terms of the growth. And I'm very happy to say that last two years that turnaround has started to happen.

A few years back, 75% to 80% of our business used to be government business. And imagine if that situation happened in the current year, where government business really comes down to 5% or 10%. Where would the company be? So we have transformed that. A few years back we had a significant customer concentration that all our international business was dependent on one customer, which was an OEM customer. What if that customer went away? So we have already diversified that 20% or 30% business used to be from OEM has now come down to 2%. That diversification of business has already happened. So I think we are heading in the right direction.

We believe we'll be doing a better service to the investors by sharing the exact depth of each of these businesses and really sharing the excitement or the opportunity around those. So that's really where the business guidance is and we have not given any particular guidance starting from the last year. So we have given the direction and we believe that the final numbers are the outcome of how each of those things perform.

Coming back to the last part of your question, which is a very good questions, I must say; is that we have been introducing new products. And what has been the attraction of those new products in the market? And you specifically talked about two new products. Actually there are really three in terms of recent times. So GPON, which is fiber to the home product, we by and large launched it 2 to 3 years back. I'm very happy to say that not only is that product winning a lot of business in India, it actually is becoming a leading product for us to enter new accounts internationally, because we are one of the few guys in the world who developed that product, which is probably one of the most recent generation of the GPON product in the world, compared to the competition. And we are able to -- I mean in fact, one of our international successes, the easiest way to win a new account is through GPON, because we clearly can show value.

BharatNet, a significant part of BharatNet, 60-70% of BharatNet phase one, and we should be proud of the fact, were actually built on Tejas products. So, we really are powering the BharatNet in a big way. That product investment has done extremely well. WDM product, which is the core high capacity product in terms of its multiplexes or multiple wavelengths of data; that is a product we realized that rather than having a me-too approach and trying to address every single segment of the WDM product, what

Arnob said earlier is that we are trying to focus on specific areas in those technology segments where we believe we can do very well.

So in the WDM product segment, we again have developed certainly applications in which we believe we are probably the most competitive in the world. One such application, just to give an example for the people who are a little bit more technically oriented, is alien wavelength application. We believe today in the WDM product range, we have among the best alien wavelength applications in the world. And recently we won a large RFP from a large pan-African operator, among all the top global WDM players for alien wavelength. So I think that's how we're approaching the DWDM product.

The last part which you mentioned, the fixed wireless, this is another area that we've been investing for a while. If you really see the macro business sense of this product line, it makes a lot of sense. Because fiber cannot go to every place with 5G having 10 times more base stations, we'll not be able to take fiber everywhere. When 5G becomes a network of Internet of Things, you'll not be able to take fiber to them. So that network of Internet of Things, for example, will be a wireless network, a network for taking fixed wireless access to many rural areas or in hard-to-reach areas will be on wireless.

So I think that business case is very sound. We have now fine-tuned our strategy in terms of which kind of customers to go after, which kind of applications to go after. And I'm very, very confident that this year we will be able to get significant revenue and customer success of that product. Actually now, when we look at with the wisdom of hindsight, what we have actually ended up doing with our R&D investments is possibly created the best access and aggregation portfolio in the industry, where wireline on fiber, wireless on LTE and 4G and going to 5G, and all kinds of Ethernet services; all these technologies converge into one single platform, which is kind of a Swiss Army Knife kind of a platform, really is an architecture that has become an asset for the company. What is really required is to take the differentiated product that we already have, go to different parts of the world where customers need this, tell them we have this, get their confidence that this is better than anything else that is out there, and really win their business. That's really the focus of the company to really go to the next stage, and I'm very confident that as the year progresses, we'll actually start seeing the result of this strategy playing out. So I hope I've answered all your questions.

Unidentified Participant: Good evening to the board and to my fellow co-shareholders. My name is (inaudible). First of all, I wish to congratulate the management and the board for all the positive features shown by the report. As far as in the page number 3, it is showing all the positive -- in all the positive directly only. So for that reason, I am congratulating the management, sir.

A member has already clarified about the -- what do you call it -- valuing of patents and other things, of the patents' registration and everything. But what I'm requesting to you is whether if any possibility of making any valuation for those patents. So it is -- it comes into the balance sheet, what is the matter of the Tejas network. If any valuation could be done, like a goodwill or something, so it is only saying that I'm holding this much of value of these patents. For many scientific patents are inventories, some value could be created if at all any possibility is that. I'm only just requesting or inquiring to you, sir.

Sir, you've informed about the 4G, 5G and everything. I'm only trying to get a clarification from you. There are some reports about 5G saying that America will sustain a lot of either you call it competition or differentiation situation is taking place. I understood some reports, even there's some political issues are taking place for the issue

of 5G at the very top level of political field, America and China are taking place. I will be glad, if at all, I will be glad if at all you can give any light on that subject, sir. I'm not demanding. I will be glad to know any, if at all, (inaudible).

I am very thanking you for the (inaudible) user. But it is maybe the company, maybe in the initial stages of -- what do you call it -- arranging meetings and making arrangements of transport and other things. What I'm requesting is the shareholders who were utilizing the transport, either they all started even before 1 o'clock or something. The convention is at 1:30. We have the start before 1 o'clock or something. What I'm requesting, at least you could have provided a welcoming drink or something, sir. It is not a demand, again, I'm repeating to you.

And one more thing I'm informing you, our Chairman, because of his vast experience, he's aware of all the (inaudible) meetings, how it is being arranged. If you could -- I think it has not gone (inaudible). If he had (inaudible) his notice, I think he would have definitely made different arrangements, because I do not want to compare any other company. This is initial stage. And some companies who are arranging transport to the facility, even in the transport also they're arranging -- what do you call it -- minimum drink or something, because of the distance. It is not (inaudible) facility. I'm repeating to you, the Chairman is very well-versed about all these subjects and receiving the shareholders and everything. So it is in the initial stage, I will be very glad if our Chairman throws some light on that subject, it will be better, I can request to you, sir.

As I know, as it seems, all the financial parameters, functioning parameters, everything is very -- what do you call it -- improving in a very positive direction. I really, as a small shareholder, I could not understand why the share market is not accepting or receiving it, when we are doing -- when the company is doing so phenomenal progress, but the market is not recognizing or accepting that, even (inaudible) result. As I understand today, I hope the management, it might have gone to come to the notice. Today I think it's close to around 100 rupees or something share price, very, very low; even with the issue price or whatever it may be, sir.

What I'm requesting to you, if you can put that reason, it's a market-oriented price (inaudible). But at the same time, market also looks into the fundamentals of the company. It will not simply drastically reduce the market price. There are many mutual funds and many experts who go through each and every client of the company, while buying and selling everything. But as far as the Tejas Network, I'm not referring to only for today's price or something, for the last one year also, as per even the balance sheet. The share price is vertically falling. There is no at risk consolidation or anything, and not taking any support at all. So why the operators or institutions -- or why it is they are making it so falling? I'm repeating to you, just around 100 rupees is an issue price. I cannot demand that saying that you have to enhance the price. But one thing, as your Chairman, very well versed about the financial subjects, what I'm saying is if you can show some presentation to the market also. What I'm trying to say is when you are arriving so much of results, again, I'm repeating he's very well aware of it; there is nothing wrong in giving a bonus issue. You're arriving sufficient, a very good quantity of results. If you can give a bonus, it will give a direction to the market.

As a small shareholder, I'm not going to get (inaudible) rupees or anything. But it will show me that by direction of the market, because the share price is falling heavily. You can give something saying that we are very liberal management, and we are glad to reward the shareholders. So the market will definitely, whether you accept it or won't accept it, market will look into each and everything. Bonus is one of the important points,

along with the performance, sir. So I'm requesting to the board and to the Chairman, why don't you think of considering a bonus issue, because of (inaudible)? Thank you very much, sir.

Balakrishnan V:

Thank you for the wonderful questions. See, first on the patents, we are not in the business creating patents and selling it. We are in the business of using patents as a competitive advantage to access markets, access customers, and grow. And patent valuation is a very complex thing and not many people understood how to value patents. And whether you like it or not, whether we give the value or not, markets indirectly value all the intangibles and give you a value. So I don't think it's a great idea to value patents and put it in the financial statements. Probably we can look at giving it as additional information. Again, as I told you, it's a very complex of just where to figure out how to value that, whether there's a right value is available to do that.

On your second question, providing welcome drinks, I'm sorry. I think we should have done that. Probably next time we'll take care of it. Thank you for the wonderful suggestion.

Third, on the bonus issue, see, technically bonus issue does not make any change to the market price. And even I don't know why the market value of the stock are at a particular price. It's a very complex subject. I don't understand a way to do it. As a management, what we can do is we can perform well, we can articulate our strategy. We can try to do all the things in our command to grow the business, to grow profit. I think over the long period of time, markets will realize and probably value it better. I don't think we should be too worried about the market price, as long as the direction is right, as long as the actions we take are right, as long as we are in the right trajectory. I think the other things will fall in place at some point of time.

On the 5G issue, of course there is a huge competition to take leadership in the 5G space. US has lost out the race to some extent. China has taken the lead. Now US has realized they lost the race, they are trying to come back. There's a huge friction between US and China on the technology side. I think that also opens up a lot of opportunities for players like us, because US to some extent sees the products from China as a threat, due to security issue. Probably India doesn't have that problem. India has (inaudible) a long time. We see that friction as a great market opportunity for players like us. So we will try to do whatever we can to grab the opportunity and probably accelerate our growth in the new area. I hope it answered your questions.

Any other questions?

Unidentified Participant:

Good evening, sir. Good evening. My name Poonam Ave (ph). I'm very, very happy that I am part of this Tejas. Many years back I have seen Mr. Bala in a different AGM meeting. He looked very, very different, very serious. But now he looks very pleasant, probably Tejas is making him pleasant.

And I have other management team -- I am not really quite acquainted. There is another man, Mr. Bhave, he was also very, very serious when he was the SEBI man. He really was given a very, very difficult task. I think he's enjoying his life right here now.

Yeah, I don't have much of a suggestion or questions. But I have one or two small things to get clarified. Number one, some member asked about 106 crores rupees that which has been accommodated or parked in different funds. Our CFO answered that they are parked or they are with financial institutions, banks, and then mutual funds. Well, we do not

know if we are safe with that type of a thing. We all know people who have experienced markets, housing finance companies, they are in serious difficulty. And if we have part of our money, no way we are going to get it. And mutual funds (inaudible), equally bad. So I do not want to ask you where you have put, but even in future, our investments, our parking of funds should be definitely in very safe banks rather than here. Somebody mentioned our share price is crashing. Maybe it is true. I do not know if that's a reflection of our deposits more than the business.

Number two, you have been mentioning that we have invested 13.5% of our revenue in R&D, correct? That's a good amount. But people say, R&D, research we go in search of gold, gold mine. But practically they are not gold mines, but filled with landmines. So if we are really investing so much in R&D, that is not going to give us the bread and butter. That's an industry standard. I don't know about software. But in pharma and various other places, they invest in R&D, it bites them very hard, then they retrace and go to an easy way of doing it.

All right, then the third thing, just a very late comment. You have mentioned that your focus is going to be more on India private and then overseas. You have mentioned about America, US, was not much of importance. Export market, the man who has market in US considerably, he's a very strong person. I hope you understand what I have in my mind.

And the last one, the strength of the company is on how much assets we create, not liquid assets, but permanent assets, like buildings and then properties, how far we have come into that direction? Thank you.

Balakrishnan V:

Thank you for your questions. See, on the first issue, we are very concerned about where we keep our cash. We are more worried about protecting the capital than returns on the cash, because cash is for static reasons. We are in the high-risk business, product business, very volatile business; we need to invest more in sales and marketing. We need to invest more in R&D. We can't afford to lose cash. So our cash policy, our treasury policy is mainly to invest in liquid mature funds. We look at the portfolio of the funds before we invest, and we know the game very well, and we keep the money in bank deposits and institutions like the HDFC kinds of institutions. So we are very clear where we want to keep the money. I don't think you should have any concern about the cash thing. I don't think the market is worried about the cash.

And on the (inaudible), I'll ask Sanjay to answer.

Sanjay Nayak:

The second question you had about was R&D in the sense that it's a landmine and not a gold mine. So maybe we use the term R&D a little bit differently than what, say, a pharma company would use. So a pharma company or some other businesses may use R&D for something which is like a blue sky research, which means a 1 in 100 chance of success. And that's why you rightly said, there could be more landmines than gold mines. What we say by R&D is more of the hardware development, the software that we need to write on a day-to-day basis. So if you see the products at the end of the room, so all of those products have to be designed by us, by our R&D engineers. So there will be some hardware people who will design the hardware, some software people who will design the software; some people who will test everything together. So all of those activities we call R&D. So in that sense, actually speaking it is these largest assets that the company has and our ability to do 5 times, 4 times more R&D for the same amount of money that a US company will do or a European company will do. Because we can hire five engineers who are equally bright, if not brighter, than any European or US person to do the same

amount of research and development. So really in our sense it's more development than research. It's not risky research. It's more of taking all the market directions and trends and coming up with products which basically address that. And that must address your concern that we don't have risky R&D that is going to go away. But it's more like an asset which we are creating to create a more competitive product.

And then the last part which you mentioned was also a very interesting question. Maybe in the broader context, I did not dwell specifically upon one market and all that. And that also relates to one of the other questions you asked about the 4G and 5G and the political ramifications of 5G. So maybe let me answer both the questions in a common way. What is happening in the world is that technology and 5G, 4G starting and then 5G, is actually becoming one of the most critical assets for a country. Because everything that we do in life in some way or the other in 10 years will be connected on a network. Your home will have 100 sensors. Your car will have sensors. Streets, smart cities will be there. So everything will get connected.

Now in that connected world, all your data will be on the network. So personal security, financial security, national security; they're all getting entwined with telecommunication infrastructure. That is why if a telecommunication infrastructure of a country is not necessarily under the control of that country, you actually have a serious security problem. That is the reason the US says, hey, I only want non-Chinese equipment to be deployed in the US, for example. Or China does only Chinese equipment in their network. What Bala said earlier, which presents an opportunity for us is twofold. Because there are no Chinese equipment allowed in the US market, there's a great opportunity for a company like Tejas which can compete with the Chinese even outside of US, to actually go to the US where the Chinese are not allowed. So I think it's a great competitive advantage. And that is the reason when we mentioned earlier, we have hired a new head of sales. He's an industry veteran and we're going to make more sales investment in US, because that big market, even if we get 10% of that market over the next few years, it's a very large number. So we are going to be addressing that market as one of opportunity.

The second opportunity which is more in India, if you actually go and read the press of late, India itself is not concerned that when 5G networks get built up, am I going to be secure nationally? Do I need to create an Indian ecosystem for 5G with all the technology? And there's a lot of effort which is going on from the government of India. First they allowed India to participate in the 5G standards. So a lot of the 5G standards are coming out has IPR from India.

Second, there's a thought process that certain kinds of networks in India should ideally build using Indian technology. And I say ideally means provided companies like Tejas and others can actually come together with the creating of the 5G products. Because 5G networks still are a couple of years away in India. And there is enough time for India as a country to not miss the 5G bus. As far as Tejas is concerned, I'm very happy to say that the optical transmission products that we have, we are building in features so that they are ready for 5G. They can provide and carry a 5G network. And similarly, the wireless network, the fixed wireless network that we are talking about will also be ready and operate to 5G. So I think we are doing our bit in terms of 5G opportunity.

So just to summarize, 5G itself is a big opportunity because of the geopolitical issues, because of the new technology, and we as a company actually have a great opportunity to take advantage of that as well. So I hope I've answered your questions.

Unidentified Participant: I question you, I do not know about it (ph). Because of the things, whatever either go through this balance sheet or report, and by coming here and by seeing your presentation and appraisal of the things is totally entirely a different subject. We could know many more things what I could not get it from the report or something. So what I'm requesting, as a shareholder, as a small shareholder; I may not be having many knowledge of what you call it -- this networking and other things, and also maybe even financial aspects. So I just wish to know, have you conducted any analyst meet, or are going to proposing to go and have an analyst meet? If you can think of conducting an analyst meet, I'm not asking to replace something. But conducting an analyst meet, if you can appraise analysts, they may be having a better picture of the company. Immediately I am not saying that by conducting an analyst meet the share price will go up by 50% or something. But let me -- I'm just requesting you or inquiring you. You can think of conducting an analyst meet, and we are as you say, the network is question of communication. How much they know is different, what we can communicate is important. If possible, please try to communicate by conducting an analyst meet. I don't know whether press people also can be invited for that or not.

Balakrishnan V: No, we do an analyst meet in Mumbai, because that is where all the analysts who cover the company are there and also some of the investors. What we do also is to broadcast it over the net. Probably we can send you the communication. You can have access to that. There we cover most parts of the business, which will give a good idea about that.

Unidentified Participant: I think more than the report.

Sanjay Nayak: I think it's a very good suggestion that what you have given us, the feedback is that what we are able to communicate is coming out much stronger than what's in the Annual Report or otherwise. And if we can find a way to communicate to the larger shareholder as a group, they will benefit from it and have more confidence. We take this --

Unidentified Participant: Listen. What I'm saying is any analyst, it may be his duty or normal responsibility to go through the reports and everything. But once he comes here, I mean to your presentation, he can give more concentration. Oh, this is what is happening. So he will be more appraised and as you say, if it is not only the analyst, but example if the press is there, it is because of network (ph). As you know, the press can do anything. For example, what do you call it? Taking up or taking down, it is a question of appraisal and speaking in a positive tradition.

Balakrishnan V: No, we'll consider that. Sure.

Unidentified Participant: Sir, I am (inaudible). In continuation of my friend's observation, I would like to give an illustration (ph) that whatever the positives happening in the company should be published in the newspaper. See that it is published in the newspapers or in the media, it comes in the media, so that our company's name will always be surrounding all the people's mind, so that the shareholders and share price can also be increased, all positive too (ph). And also at the same time, I would like to congratulate the company for having declared the maiden dividend of 10%. I hope in the future years, you will declare furthermore percentage, with an increase in profits. Thank you, sir.

Unidentified Participant: Yeah. Hello, sir. (Inaudible) the last many years as a product company and I'm hoping that you survive in and strengthen in the issue of receivable (ph). And have a couple of questions regarding the (inaudible) and the customer base. The first question that I have is, as you have said that we have launched a first product and can converge to broadband

access in Barcelona, right? Has any competitor come offering a similar product? If yes, how confident are we that we're able to defend that (inaudible)?

So, are you seeing that your new business are (ph) surviving the last many years and confident that you survive in the current issue of receivables? Then I have a questions regarding meetings (ph) and the customer base. So regarding meetings, since we have launched the product offering of direct (inaudible) broadband access in Barcelona, has a competitor come up with a similar product? If yes, why haven't (inaudible) mitigation? (Inaudible) And similar kind of thing, it's not about valuation. But the question is, we would be faced with (inaudible) mitigation in the future. (Inaudible) that's one question.

The second question regarding your customer base, you say that you have 25-plus tier one customers. It sounds you know how many tier one customers who were there 3 years back, 5 years back, 10 years back or 15 years back (inaudible) the category of the customer acquisition?

Then regarding -- you also said that you have (inaudible) deployed installed base. So how much of that has been retained or churned? In a sense, I mean some customers would have decided to switch over to a different vendor. So have all those deployments been retained without any churn? So that's one question.

And also the customer retention ratio, a 10-year average of the customer retention ratio? And just a couple more questions, regarding the order book, you said (inaudible). What's the average time for fulfilling that order book? And is this order book only for the government entity or the whole different verticals? And again, a drop in the Q1 (inaudible) revenue, are you concerned about that or is it business as usual?

Sanjay Nayak:

I can answer a few of the questions. So, first question you ask that we announced this new product at Mobile World Barcelona has any competitor come out with a similar product. As of now, nobody's come out with a similar product, which is combining the fiber as well as the wireless technology access into the same products. So that's a good thing. And the reason for that is typically the much larger companies, they may have a division doing wireless in one part of the world, optical in another part of the world; and for those teams to combine into an integrated product is very difficult versus the entire product is possibly developed in this building among floors. So I think we don't have that situation at all.

The second question you had is that in the customer base, did we have a churn? So we have had 450,000 system deployed. Have the customers replaced that with someone else? No. So our products, once they are in the network, they live till -- the useful life of our products is supposed to be 7 to 10 years. But we are very proud to say that we go to customers who are saying, oh, this product has been in 15 years, which is way beyond the useful life. But because it is working very well, they have no motivation to replace it with something else. The only time customers not replace but add new products, is when a new technology happens or when they have to increase the capacity of the networks in a significant way.

The next question you had is what has been our customer retention ratio? I'm very proud to say that we hardly ever lose any customer in the entire history of the company. The only time when we lose customers is when the customer actually consolidates with someone else, for example, and is a part of another entity we may not be a part of that entity. So that could be one situation.

Another situation which has happened much less frequently is when the customer itself goes bankrupt, for example, they're not able to hold their business, in which case we lose that customer. But typically we are the company who once goes into a customer account, we may start small, but as time goes by we actually increase our market share. So in fact, that is exactly the asset which we have created and that why when we announce new customer wins or expansion into tier one operators, as you mentioned. Once we are able to get in, we may get in because of one particular application which we do better than someone else. But then we have the rest of the products that we sell. So a typical scenario for us is, we never lose customers. Once we get into an account, we always gain market share. And number three, many times in the country when customers, we win one customer in a particular country; our quality, our customer performance, our technology excellence gives the word of mouth reference, so that one customer becomes three, becomes five in that country. So I think we have done phenomenally well in terms of the customer retention and customer (inaudible).

The last part which you mentioned was the order book and what is the average time to fulfill the order book. So when we started the year on April 1, we had a backlog of 418 crore. We have disclosed that around 40% of that order book will be revenue in the current financial year. The remaining order book was for subsequent years in terms of performance and support and so on and so forth. Typical, given the business profile, the government order book is the one which is the largest (inaudible), because it's a long-term contract. In private sector and international, typically we may have delivery times starting from as little as 8 weeks from the order or 6 weeks from the order, and going up to 16 weeks of the order. So between 6 to 16 weeks, we have to supply from the date of the order. So typical scenario, the private customers or international customers will not have much contribution to the order book. They will basically -- you may get an order at the beginning of the quarter and it will get executed by the end of the quarter, and whatever doesn't get executed essentially ends up become the order book.

But those customers, by the way, as Bala mentioned earlier, are more sticky customers. Because once you are in there and an answer to your earlier question, we never get thrown out of the account. We actually increase our market share into the account. So the success of the companies depend on the factors, how many new customers can we get, and within each customer, can we continue to increase our market share? So that's kind of the way our business is currently working.

Unidentified Participant: Hi. Is there a risk that you think about that can destroy our business? I mean I heard Arnob saying the businesses, the risks that we think about. I mean all the technology companies has. But there could be disruptions happening, which will make us redundant. Is there anything that keeps you awake in the night?

Sanjay Nayak: So luckily there is no technology thing which would completely put us out of business. For example, we are not in the tape record business and then CDs came, the tape recorders went away. I don't think we have any such technology risk at all, because worldwide, the fastest thing that travels is light. And the core of our business is we use light as a medium and transmit data from point A to point B on light, which is wavelengths of light. So technically at this point in time, there is no foreseeable technology which is going to put us out of business.

Having said that, there is always a lot of innovation happening within the realms of what we do and which is what Arnob and Kumar kind of pointed out earlier that we have to continue to be at pace with that. And the way we do that is, say for example, the technology which could be very relevant for 2G, which was voice based, is very different

than technology for 4G, which is data based, right? So I think unless we migrated our products by investing in R&D, we would become a dinosaur that we are very good in the 2G world. But when the 4G world happened, we went out of business because we didn't have good enough products.

Similarly from 4G to 5G, I won't say the technology is as big as from 2G to 4G. But nonetheless, there's a densification of networks. As I said, there will be 10 times more cell sites than there are today in 4G. Each cell site will probably be carrying 10 times more data than the 4G network. So you're really having a few orders of magnitude compounding problems in terms of the network capacity. That is when your product architecture has to be such that it scales with capacities without having to throw it away and so on and so forth. And those are things which we are very good at. In fact, another thing I would like to point out is that the software defined hardware architecture, as we call our architecture, allows us naturally to address those flexibilities, unless versus a hardware-based architecture which is more fixed in form. So I think the fundamental architecture that the company has chosen allows us to be flexible, allows us to be nimble, and we have been successful in transitioning from 2G to 3G to 4G. The challenge for the company is that we have done enough products, enough technology which are very competitive. Can we make a global business out of it? And that is really the next phase of the growth of the company to really get success on those sites.

Unidentified Participant: That's where my second question would be. You mentioned that when you go and you get into a business, then you grow from one product to multiple products. When you go there, you have incumbents. So how are you planning to get into (inaudible)? You do not have (inaudible). I heard that you've hired someone in the US. But what is your plan in doing that?

Sanjay Nayak: So it's a very good question that whenever we go internationally or for that matter even in India, there will always be incumbents into the account, whether they're already running a network with someone's equipment. So our entry strategy in those networks is very simple. There are certain applications, as we call it, within these broader technology domains. And actually if you look at our detailed investor presentation, it has a listing of those applications that for example, I highlighted about the WDM application where the alien wavelengths we do probably better than anybody else in the world. Similarly, the converged access portfolio that we talked about, we probably do better than anybody in the world. So the way our business entry into a new account happens is there is an application which the customer wants to solve and it's an important enough problem for him. In that we present our options in terms of product, solution, et cetera. He does a comparison of us with his incumbent suppliers and the other best-in-class in the world. He evaluates it very thoroughly and then he figures it out that actually speaking, you are better than anybody else. And let me give you an opportunity to be a part of my network on this application.

The good news for our product is that same box which you will see at the end of the room does multiple functions. So from a customer's perspective, he bought us because of one application. But by adding in different software or different hardware, he can solve another application and the third and fourth. So there's a natural way for him to expand us and that has basically been our recipe for success.

Since you talked about the US, network modernization is an application which again we do possibly better than most companies in the world in a competitive scenario. And US network has all kinds of legacy networks in the US, because every technology was built into the US. So network modernization or optical network modernization is a very large

application. It's about a \$700 million per year opportunity in the US every year. And we believe we have very competitive products. We of course need a very capable sales team to go and tell the customers that we have these competitive products, who work with them, get initial success, and then scale it up. And we have been able to do that successfully in the US and this is the year where the sales investments we expect to actually see a revenue growth in a significant way as well.

Unidentified Participant: Who do we compete against in the US market?

Sanjay Nayak: So it's a broad -- let me answer your broader question. So globally we have Huawei and ZTE as competitors from China. We have Nokia, which is the Alcatel-Lucent part of Nokia, and Sienna (ph) as the main competitors from the Western world. Among these four companies is where we see everybody in the world. Then in any local market, there will be a few strong local players. In the US, there are people like ADTRAN. Cisco is there in certain accounts, and so on. In other markets there could be companies like ECI from Israel or (inaudible) from Europe. But really our industry now when we started Tejas probably they had 100 companies who are doing optical networking. Today there are less than 20 companies who matter, and probably 10 companies who really compete, and probably 5 years from today there might be five companies who actually stay in the game. And we are hopeful and confident that we'll be one of those five guys as well. So I think that's kind of the competitive landscape. But in the US, the Chinese are not there. So as a result, our competitive intensity is lower. Our ability to become successful is higher. But we still have to execute.

Unidentified Participant: One final question, I mean if I look at your numbers in 2012 and '13, you have grown 4x from there. What has changed in the company in these 5-6 years in terms of your thinking or execution?

Sanjay Nayak: It's actually an excellent question. So what really happened in the company is that from 2012 to now, I mean '17-18, the big technology that happened was the voice-based network went to data-based networks. 4G networks, which is really their driver for all the data consumption in the world, started to get built around that time, '12-13-14. And credit to our R&D team that in the bad years when the company was not doing very well, we invested in R&D, created the product platform, so when operators were making decisions about the new window for 4G, we were able to sneak into a lot of those accounts. And initially we got small businesses. That's why the revenues went from 200 to maybe 250-260. The same customers grew and then we became 400, and so on and so forth.

So I really think that that last opportunity from 2G to 4G transition, the company did very well. The competitive intensity today is even lower compared to 2013-14. A few more companies have gone away from the competitive landscape. And when the 4G to 5G transition is happening in the world, we believe we have even stronger opportunity to make a much larger impact on a global basis, because today we have credibility. Today with the cash available, we can make sales investments. We can make R&D investments. So I think there's an opportunity clearly available. It will come to the company's ability to execute on those opportunities, to make sure that we latch onto those things and really deliver success out of it. But as you rightly pointed out, we did use the last round of opportunity very well and there's an equivalent or even bigger opportunity ahead of us over the next 5 years which we need to really take and grab it into our hands.

Unidentified Participant: Sir, there must be the time restrictions, sir. In fact, it is in the interest of the shareholders as well as well as the management. By the time we reach, it will be 10 o'clock anyway, because of the traffic. Say, what happens in case they have a specific queries, they can

send an email and get that. That is how I do it. So then let's restrict the timing to around 2 minutes or 3 minutes. We are really getting late, sir.

Balakrishnan V:

Yeah, yeah. I understand the Bangalore traffic. So I hope we answered all your questions and I hope all of you have gone and taken part in the polling. I have authorized the company secretary to declare the results of the voting and place the results on the website of the company at the earliest. Resolutions set forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes. The combined results of remote e-voting and electronic voting at the venue, along with the scrutinizer's report shall be communicated to the stock exchanges. Results shall also be placed on the website of the company and NSDL.

All the items of today's AGM have now been transacted. With this, the 19th Annual General Meeting of Tejas comes to an end. Thank you all for attending the meeting. And hereby, I declare the proceedings to be closed. Thank you, all.