

TEJAS NETWORKS LIMITED

Corporate Identity Number (CIN): U72900KA2000PLC026980
Registered Office: J P Software Park, Plot No 25, Sy. No 13, 14, 17 & 18
Konnappana Agrahara Village, Begur Hobli, Bangalore – 560100
Tel. No.: 080 4179 4600, Fax: +91 80 2852 0201
Email: corporate@tejasnetworks.com
Website: www.tejasnetworks.com

Amended and Restated Policy for determining related party transaction (“Policy”)

(Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) (Hereinafter called as “LODR”)

Adopted by the Board of Directors on October 26, 2016 and amended on August 26, 2017

The object of this Policy is to determine the ‘materiality’ of Related Party Transaction (*as defined hereinafter*) and to provide a governance framework thereof. The Securities and Exchange Board of India (“SEBI”) has mandated every listed company to formulate a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

Accordingly, the Company has formulated this Policy which regulates all transactions between the Company and its Related Parties (*as defined hereinafter*).

The Audit Committee (*as defined hereinafter*) will review the Policy periodically and may amend the same from time to time and propose the same to the Board for approval.

1. Definitions

“**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” or “**Committee**” means audit committee constituted by the Board of Directors of the Company, from time to time, under the provisions of LODR and the Companies Act, 2013.

“**Board of Director**” or “**Board**” means the board of directors of Tejas Networks Limited, as constituted from time to time.

“**Key Managerial Personnel**” means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013.

“**Related Party Transaction**” means a related party transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“**Related Party**” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 and rules made thereunder.

“**Related Party Transaction**” means transactions between related parties as defined under Section 188 of the Companies Act, 2013 and any rules or amendments made thereunder. “Transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract.

All capitalized terms not defined therein shall have the meaning ascribed to such term under the Companies Act, 2013 and the rules made thereunder and the LODR, as amended from time to time.

2. Governance Framework

2.1 Approval of Audit Committee

- a. All Related Party Transactions shall require prior approval of the Audit Committee.
- b. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to their value not exceeding rupees one crore per transaction and subject to such criteria/conditions as mentioned under LODR.
- c. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- d. The Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to the omnibus approvals.
- e. Any member of the Audit Committee interested in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.
- f. The requirements set forth in sub-clauses (a) to (e) above will not be applicable to Related Party Transactions executed by the Company with its wholly owned subsidiaries.

2.2 Material Related Party Transactions

All Material Related Party Transactions shall require approval of the shareholders as required under the LODR and the Related Parties shall abstain from voting on such resolutions whether the entity is a related party or not to the transaction.

2.3 Board Approval

Any Related Party Transactions which are not in the ordinary course or not Arm's Length Transactions will require prior approval of the Board. The Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will rescue himself and abstain from discussion and voting on the approval of the Related Party Transaction.

2.4 Shareholder Approval

Any Related Party Transactions which are not in the ordinary course or not Arm's Length Transactions and exceeding the limit set forth in Section 188 of the Companies Act, 2013 and the rules framed thereunder, including any amendments or modifications thereto, shall require prior approval of the shareholders in accordance with the Act. Any shareholder who is a Related Party in the context of the contract or arrangement for which the resolution is passed, will not vote on such resolution.

2.5 Identification of Related Party Transactions

- a. The Company Secretary shall, from time to time, seek information with respect to Related Parties from every Director and Key Managerial Personnel.
- b. The Directors and Key Managerial Personnel shall update the Company Secretary about any changes in such information as soon as they become aware of such changes.
- c. The Company Secretary shall maintain an updated database of information pertaining to the Related Parties which shall be reviewed jointly by the Company Secretary and Chief Financial Officer at least once a year.

- d. Every Director, Key Managerial Personnel, functional/ business heads will be responsible for providing prior notice to the Company Secretary of any potential Related Party Transactions.

2.6 Reporting of Related Party Transactions

Every contract of arrangement, which is required to be approved by the Board/Shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with justification for entering into such contract or arrangement.

Further, the Company shall provide additional disclosures on Related Party Transactions as required under the LODR.

2.7 Related Party Transactions not previously approved

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified in accordance with this Policy, the transaction shall be placed as promptly as practicable before the Committee or the Board or the Shareholders, as may be required in accordance with this Policy for review and ratification.

The Committee, the Board, or the Shareholders, as the case maybe, shall consider all relevant facts and circumstances with respect to such Related Party Transactions and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction, and the Company shall take such action as the Committee or the Board may deem appropriate under the circumstances.

3. Policy review

This Policy shall be subject to review and changes as may be deemed necessary by the Board of Directors and to comply with any regulatory requirements.

4. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy.