

**TEJAS NETWORKS LIMITED**

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**AMENDED AND RESTATED POLICY ON DETERMINING MATERIAL SUBSIDIARIES**

*(Pursuant to Regulation 16 (1)(c) 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

**1. Introduction**

The Board of Directors of Tejas Networks Limited has adopted the following policy and procedures with regard to determination of ‘Material Subsidiaries’ (as defined hereinafter) and to provide a governance framework for such subsidiaries.

**2. Definitions**

“Audit Committee or Committee”	means audit committee constituted by the Board of Directors of the Company, from time to time, under 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.
“Company”	means Tejas Networks Limited.
“Independent Director”	means a non-executive director of the Company, not being a managing or whole time director or nominee director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Section 149(6) Companies Act, 2013 and LODR.
“Material Non-listed Indian Subsidiary”	implies an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up share capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.
“Policy”	means this policy on Material Subsidiaries.
“Significant Transaction or Arrangement”	shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.
“Subsidiary”	shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, and LODR .

### **3. Material Subsidiary**

A Subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

- a. If the investment of the Company in the Subsidiary, exceeds twenty percent (20%) of the Company's consolidated net worth as per the audited balance sheet of the previous financial year; or
- b. if the Subsidiary has generated twenty percent (20%) of the consolidated income of the Company during the previous financial year.

### **4. Independent Director on the Board of Material Non-listed Indian Subsidiary companies**

At least one Independent Director of the Company shall be a director on the Board of the Material Non-listed Indian Subsidiary.

### **5. Review by Audit Committee/Board of directors of the Company**

- a. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted Subsidiary.

### **6. Minutes and Significant Transactions / arrangements of unlisted Subsidiaries**

- a. The minutes of the meetings of the board of unlisted Subsidiaries shall be placed at the meeting of the Board of Directors of the Company.

The management of the unlisted Subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions entered into by the unlisted Subsidiary.

### **7. Restriction on Disposal of Shares and Assets of Material Subsidiary by the Company**

The Company, without passing a special resolution in its general meeting, shall not:

- a. Dispose the shares in the Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise control over the Material Subsidiary, except in cases where divestment is under a scheme of arrangement duly approved by a court/ tribunal; or
- b. Sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

### **8. Disclosures**

This Policy shall be disclosed on the website of the Company at <http://www.tejasnetworks.com/policies/>

### **9. 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.

### **10. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the LODR / the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the LODR / the Companies Act, 2013 or statutory enactments and rules shall prevail over this Policy.