

TEJAS NETWORKS LIMITED

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AMENDED AND RESTATED POLICY FOR DETERMINING MATERIALITY OF EVENT/ INFORMATION (“Policy”)

(Pursuant to Regulation 30 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, amended on August 26, 2017
and on January 20, 2021***

1. Preamble

- a. The object of this Policy is to determine the materiality of events /information of Tejas Networks Limited (“**TNL**” or “**Company**”) for the purpose of disclosure to the stock exchanges on which the Company’s shares are listed (“**Stock Exchanges**”) and to provide frame work relating to disclosure of such information.
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), under its Regulation 30(4) (ii) requires every listed entity to formulate a policy for determination of materiality of an event or information for the purpose of making disclosures to the stock exchanges and such policy is required to be disclosed on the Company's website. Further, Para B of Part A of Schedule III of the Listing Regulations provides a list of events for which the disclosures have to be made to the stock exchange based on application of certain guidelines on materiality prescribed under the Listing Regulations.
- c. Considering the aforesaid requirements, the Company has formulated this Policy for determining materiality of an event or information for the purpose of disclosures to be made by the Company to the stock exchanges.
- d. The Policy shall be read together with Tejas Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information formulated under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- e. The capitalized terms not defined herein shall have the meaning assigned to such terms in the Companies Act, 2013 and/or the LODR.

- f. The Listing Regulations divide the events that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality are indicated in Part A of Schedule III of the Listing Regulation. Part B of Schedule III indicates the events that should be disclosed by the listed entity, if considered material. The Annexure-I and Annexure – II of this Policy indicates the details that need to be provided while disclosing events given in Part A and Part B of Schedule III. The guidance on when an event / information can be said to have occurred is placed at Annexure III.

2. Material events or information

The events or information specified in Part A of Schedule III of LODR shall be deemed to be “**Material Events**” and are required to be disclosed irrespective of any quantitative or qualitative materiality thresholds. The applicable events or information are given in Annexure -I.

3. Criteria for determining materiality of events or information

- a. The events or information specified in Part B of Schedule III of the Regulations, which will be disclosed based on application of materiality criteria, are given in Annexure-II.
- b. Materiality must be determined on a case to case basis depending on the material facts and the circumstances pertaining to the information or event and would be determined based on the qualitative judgement to be exercised.
- c. The quantitative criteria as indicated in Annexure-II shall apply to events specified in Part B of Schedule III of the Regulations only and shall be used as a yardstick or reference for determining materiality and arriving at the overall decision on the event to be reported by the Company Secretary

The following criteria shall be adopted for determining the materiality of events/information specified under Part B of Schedule III of the LODR:

- The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date.
 - In case where the criteria specified in above sub-clauses are not applicable, an event/information may be treated as being material if in the opinion of the Managing Director of TNL , the event/ information is considered material.
- d. The qualitative criteria may be applied for determining an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained / applied reasonably.

4. Persons authorized to determine materiality

- a) In accordance with Regulation 30(5) of the of the SEBI (Listing Obligations and Disclosure Regulations 2015, the following Key Managerial Personnel shall be authorised to determine the materiality of an event or information for the purpose of making appropriate disclosures:
 - Managing Director and Chief Executive Officer
 - Executive director and Chief Operating Officer
 - Chief Financial Officer
 - Company Secretary

- b) The materiality of the event or information will be decided in consultation with Business Heads, Senior Management Personnel or persons connected with the event or information

5. Disclosure framework

- 5.1 All events specified in Part A of Schedule III of LODR shall first be disclosed to the Stock Exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information.
- 5.2 The disclosure with respect to events specified in point no. 4 of Part A of Schedule III of LODR shall be made within thirty minutes of the conclusion of the board meeting.
- 5.3 Any transaction, event or information relating to the Company that might fall within the scope, as specified hereinabove, is required to be reported immediately to the persons who are authorised to determine materiality who will then determine the materiality of the event/information and will ensure that adequate disclosures with respect to such material events/information are made to the stock exchanges within the timeline prescribed under the Listing Regulations.
- 5.4 With respect to disclosures referred to above, material developments shall be updated on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 5.5 All such events or information which has been disclosed to Stock Exchanges under this Policy shall be disclosed on the Company's website, and hosted on the website for a minimum period of five years and thereafter as per the archival policy of the Company.
- 5.6 All events or information with respect to Subsidiaries which are material for the Company shall be disclosed in accordance with the LODR.

6. Amendments to the Policy

This Policy shall be subject to review as may be deemed necessary by the Board of Directors in accordance with regulatory amendments.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation (30)

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- acquiring control, whether directly or indirectly; or
 - acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
 - there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
 3. Revision in Rating(s).
 4. Outcome of Meetings of the Board of Directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken;
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - short particulars of any other alterations of capital, including calls;
 - financial results;
 - decision on voluntary delisting by the listed entity from stock exchange(s).
 5. Agreements [viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty (ies)/contract(s) with media companies] which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
 6. Fraud/defaults by Promoter or Key Managerial Personnel or by listed entity or arrest of Key Managerial Personnel or Promoter.

7. Change in directors, Key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
8. The appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional Investors.

ANNEXURE – II

Events which shall be disclosed upon the application of the guidelines for materiality referred to in the sub-regulation (4) of Regulation 30.

S.No	Events	Thresholds
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Impact exceeding 10% of the Income, Profit before Tax or Net-worth as may be applicable.
2	Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.
3	Capacity addition or product launch	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.
5	Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof	a. Loan agreements as borrower for long term loans exceeding Rs. 50 crore with a tenure exceeding 3 years (excluding working capital facilities and other short term borrowings). b. Other Agreements whose value or the consideration exceeds Rs. 25 crore.
6	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.

7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.
8	Litigation(s) / dispute(s) / regulatory action(s) with impact	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.
9	Fraud / defaults etc. by directors (other than key managerial personnel) or employees of listed entity	Financial Impact of Rs. 5 crore or more.
10	Options to purchase securities including any ESOP/ESPS Scheme	Impact amounting to 2% of the post-issue equity share capital of the Company.
11	Giving of guarantees or indemnity or becoming a surety for any third party	Impact exceeding 10% of Net-worth of the company. This does not include giving guarantee for subsidiary company, associate company or Joint ventures whose accounts are consolidated with the Company.
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	Impact exceeding 10% of the Income, Profit before Tax or Net worth as may be applicable.

Note:

1. The Consolidated Turnover shall be the Consolidated Turnover during the previous financial year.
2. The Consolidated Profit before Tax is the Consolidated Profit before Tax as on 31st March of the previous year.
3. Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/ event.

Guidance on when an event/information has occurred

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.
 - In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
 - In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.
3. Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.