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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

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

Adopted and amended by the Board of Directors on April 15, 2026

Object of the Policy

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*) shall review the Policy periodically and may amend the same from time to time and propose the same to the Board, for its consideration and 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 *the Listing Regulations* and the Companies Act, 2013 ('the Act').

"**Board of Directors**" 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.

"Ordinary Course of Business means a transaction which/wherein:

- is carried out in the normal course of business as envisaged in the Memorandum of Association ('MoA') of the Company, as amended from time to time, or
- is as per historical practice with a pattern of frequency, or

- is in connection with the normal business carried on by the Company, or
- the income, if any, earned from such activity/transaction is assessed as business income in the Company’s books of accounts and hence is a business activity, or
- is common commercial practice, or
- meets any other parameters/criteria as decided by the Board/Audit Committee.

Related Party as per the Listing Regulations

“Related Party" is a party as defined in Regulation 2(1)(zb) of the Listing Regulations.

Related Party as per the Act

Related Party is a party as defined under section 2(76) of the Act, read with the relevant rules made thereunder. The terms 'Relative'; 'Subsidiary'; 'Key Managerial Personnel'; 'Chief Executive Officer'; `Chief Financial Officer'; and 'Managing Director' shall have the same meaning as prescribed under the relevant sections of the Act and the applicable rules made thereunder.

“Related Party Transactions” means a transaction as defined under Regulation 2(1)(zc) of the Listing Regulations or as envisaged in Section 188(1) of the Act and rules made thereunder. “Transaction” shall be construed to include single transaction or a group of transactions in a contract;

‘Material Related Party Transactions as per Listing Regulations’: A transaction with a related party shall be considered ‘material’ if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of Listing Regulations as detailed below:

Consolidated Turnover of Listed Entity	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower

For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the Company.

Transactions involving payment to a related party for **brand usage or royalty** will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

‘Material Modifications’ with respect to any approved related party transaction shall mean and include

a. Material change in the terms and conditions of the contract, extension of tenure, renewal of the contract, waiver, subordination, variation in any payment rights, security interest, novation of parties, addition of parties as agreed at the time of approval of the Related Party Transaction
b. Material change in the nature of the transaction including which done with the mutual consent of the both the parties.
c. Such other material modifications as may be approved by the Audit Committee from time to time

Whereas the word “Material” shall mean any modification/change (individually or taken together with previous modifications/change) in the existing Transaction having effect of increase or decrease, which exceeds 10% of value of Transaction which is proposed to be modified or Rs. 10 crore whichever is higher or such other qualitative criteria as may be set out by the Audit Committee, from time to time.

Provided that if any future modification or alteration is already approved by the Audit Committee / Shareholders at the time of approving original transaction, such modification or alteration shall not be treated as ‘material modification’.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

2. Materiality Thresholds

The Listing Regulations require listed entities to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The Board has adopted the materiality thresholds as prescribed under Regulation 23 of the Listing Regulations which is defined under Clause 2 of this Policy.

Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended, which is framed under the Act, also specifies the materiality limit for specific transactions that require shareholder's approval, which is applicable to the Company.

3. Manner of dealing with Related Party Transactions

All Related Party Transactions and subsequent modifications to such transactions (including material modifications as the case may be) shall be reported to the Audit Committee for necessary approval. When required, the Audit Committee shall further refer such transactions and material modifications to the Board of Directors or the shareholders, as the case may be, in accordance with this Policy.

4. Governance Framework

(i) Identification of related parties

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Companies Act, 2013 read with the Rules framed there under and Regulation 2(1) (zb) of the SEBI Listing Regulations.

(ii) Identification of related party transactions
The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Companies Act, 2013 and Regulation 2(1) (zc) of the SEBI Listing Requirements. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

5. Procedure for approval of Related Party Transactions

5.1 Approval of the Audit Committee

a) All Related Party Transactions and any subsequent material modifications of such transactions shall require prior approval of the Audit Committee.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

b) Related Party Transactions above Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company itself is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction, exceeds the lower of the following:

i 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or

ii The threshold for material related party transactions of the Company as specified in Schedule XII of Listing Regulations.

c) In the event of a Related Party Transaction above Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one-year, prior approval of the Audit Committee of the Company shall be obtained if the value of such transaction exceeds the lower of the following:

i 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or

ii The threshold for material related party transactions of the Company as specified in Schedule XII of Listing Regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the Audit Committee.

d) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries, subject to the conditions and in the manner as prescribed under the Act and the Listing Regulations.

e) Prior approval of the Audit Committee shall not be required for transactions and any subsequent modifications including material modification of such transaction(s), as the case may be, between related parties which are exempt under the Act and Listing Regulations. Further, prior approval of the Audit Committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to above, the prior approval of the audit committee of the listed subsidiary shall suffice."

f) **Ratification**: The Members of the Audit Committee, who are Independent Directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

(i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
(ii) the transaction is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of the Listing Regulations;
(iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
(iv) the details of ratification shall be disclosed along with the disclosures of related party transactions to the stock exchanges, in terms of the provisions of sub-regulation (9) of Regulation 23 of the Listing Regulations;
(v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any Director, or is authorized by any other Director, the Director(s) concerned shall indemnify the listed entity against any loss incurred by it.

g) **Omnibus Approval**: The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its Subsidiaries, subject to the conditions and in the manner prescribed under the Act and the Listing Regulations. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

h) The Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered by the Company or its Subsidiaries pursuant to each of the omnibus approvals given.

i) Any member of the Audit Committee interested in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

j) The requirements of sub-regulation 2, 3 and 4 of Regulation 23 of the Listing Regulations shall not be applicable in the following cases:

(i) Transactions entered into between the Company and its wholly owned subsidiary, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval."

(ii) Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval."

5.2 Board Approval

Any Related Party Transactions which are not in the ordinary course or not on Arm's Length basis, will require prior approval of the Board. The Board will consider such factors such 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 recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down in Clause 2 of the Policy, which are intended to be placed before the shareholders for approval

5.3 Shareholders' Approval

Requirements under the Act

In case the transactions specified under Section 188 of the Act exceeds the thresholds as prescribed under the Act, then in addition to approval of the Board, such transactions shall also be approved by the Shareholders of the Company vide a Resolution, on which no member of the Company shall vote to approve the contract or arrangement if such member is a related party. However, such resolution is not required to be passed for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Requirements under the Listing Regulations

a) All Material Related Party Transactions and subsequent material modifications thereof shall require prior approval of the shareholders of the Company.

b) Prior approval of the shareholders of the Company shall not be required for material related party transactions and any subsequent modification of such transactions, as the case may be, between the related parties which are exempt under the Listing Regulations.

c) For this purpose, all entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

d) All omnibus approvals for material related party transactions granted by shareholders in an annual general meeting shall remain valid until the next annual general meeting held within the timelines prescribed under Section 96 of the Act. Approvals granted by shareholders in general meetings other than annual general meeting shall be valid for a period not exceeding one year from the date of such approval.

6. Reporting of Related Party Transactions

The listed entity shall submit to the stock exchanges details of related party transactions in the format as specified by the Board from time to time, within the timeline prescribed for the said purpose.

7. Related Party Transactions not previously approved / ratified under this Policy

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 matter shall be reviewed by the Audit Committee and based on the directions, the transaction shall then be placed as promptly as practicable before the Audit Committee or the Board or the Shareholders, as may be required, for necessary approvals / review / ratification, as the case may be.

The Audit 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 Audit Committee or the Board may deem appropriate under the circumstances.

8. Policy review

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

9. Miscellaneous

This policy was originally adopted by the Board of Directors on October 26, 2016, amended on August 26, 2017 and on April 22, 2022, April 21, 2023, and on April 15, 2026.

10. Limitation and Amendment

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

11. Disclosure

This Policy shall be published on the Company's website www.tejasnetworks.com and web link of the policy shall be disclosed in the Annual Report of the Company.

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