

Business Responsibility Report

About this report

Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that top 500 companies based on market capitalization as per NSE / BSE as on March 31 of every financial year, are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. The BRR as stipulated under the listing regulations describes the initiatives taken by the Company from an environmental, social and governance perspective. Tejas is not in the top 500 listed entities based on market capitalization as per NSE / BSE for the year ended March 31, 2019, the disclosure on BRR is not applicable. However, the Company is voluntarily disclosing the same and the BRR forms part of the Annual Report. The report has been prepared as prescribed and in accordance with said Listing Regulations.

About Tejas Networks Limited

Tejas Networks designs, develops and sells high-performance and cost-competitive networking products to telecommunications service providers, internet service providers, utilities, defence and government entities in over 75 countries. Tejas products utilize programmable, software-defined hardware architecture with a common software code-base that delivers seamless upgrades of new features and technology standards. Tejas Networks is ranked among top-10 suppliers in the global optical aggregation segment and has filed over 349 patents.

SECTION A:

GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:
L72900KA2000PLC026980
- Name of the Company:
Tejas Networks Limited
- Registered address:
J P Software Park, Plot No 25, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli Bengaluru- 560100, Karnataka
- Website:
www.tejasnetworks.com
- E-mail id:
corporate@tejasnetworks.com
- Financial Year reported:
April 1, 2018 –March 31, 2019
- Sector(s) that the Company is engaged in (industrial activity code-wise):
Manufacture of Communication Equipment - NIC Code :263
- List three key products/services that the Company manufactures/ provides (as in balance sheet):
Communication Product, Communication Software, Support Services towards Communication Products and Services.
- Total number of locations where business activity is undertaken by the Company :
 - Number of International Locations - 5
 - Number of National Locations - 5

- Markets served by the Company – Local/State/National/ International:
India, USA, Mexico, Africa, Middle East, South Asia and South East Asia

SECTION B:

Financial details of the company as on March 31, 2019

1. Paid- Up Capital (in INR)	₹ 91.71 crore
2. Total Turnover (in INR) (Consolidated)	₹ 900.32 crore
3. Total Profit after taxes (in INR) (Consolidated)	₹ 147.24 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Pease refer to Annexure - 6 of Board's Report for details.
5. List of activities in which expenditure in 4 has been incurred	

SECTION C:

Other Details

- Does the Company have any Subsidiary Company/ Companies?
Yes. The Company has one wholly owned subsidiary and one step down subsidiary. Please refer to Annexure 1 to the Board's Report for further details.
- Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)?
Yes, Tejas Networks Limited encourages its Subsidiary Companies to participate in its group wide BR initiatives on various activities. All subsidiary Companies are aligned to the activities under the aegis of Tejas Group
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
We do not mandate that our suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

SECTION D:

BR Information

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies

Particulars	Details
DIN Number (if applicable)	0104981
Name	Sanjay Nayak
Designation	Managing Director and CEO
Telephone Number	080-41796400

(b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	NA
Name	N R Ravikrishnan
Designation	General Counsel, Chief Compliance Officer and Company Secretary
Telephone Number	080-41796400
E-mail ID	ravikrishnanr@india.tejasnetworks.com

2. Principle-wise BR Policy/Policies

As per Regulation 34 of the Listing Regulations read with SEBI Circular No CIR/CFD/CMD/10/2015 dated 4th November 2015, the nine areas of Business Responsibilities are as follows:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details of Compliance (principle- wise (as per NVGs) BR policy / policies (reply in Y/N)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Does the Company have the policy for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.tejasnetworks.com/policies-codes.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	The Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y = Yes

All the policies are approved by the Board and duly signed by the Managing Director and CEO. These policies are based on guiding principles and core values. These policies are mapped to each principle hereunder:

S.No	Principle	Applicable policies
1	Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	<ul style="list-style-type: none"> Whistle Blower Policy Code of Conduct
2	Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	<ul style="list-style-type: none"> Safety, Health and Environmental Policy Quality Policy

3	Principle 3 - Businesses should promote the well-being of all employees.	<ul style="list-style-type: none"> • Safety, Health and Environmental Policy • Policy on Prevention of Sexual Harassment at the work place
4	Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	<ul style="list-style-type: none"> • CSR Policy • Stakeholders Relationship Policy
5	Principle 5 - Businesses should respect and promote human rights.	<ul style="list-style-type: none"> • Whistle Blower Policy. • Policy on Prevention of Sexual Harassment at the work place
6	Principle 6 - Businesses should respect, protect, and make efforts to restore the environment.	<ul style="list-style-type: none"> • Safety, Health and Environmental Policy • Quality Policy
7	Principle 7 - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.	<ul style="list-style-type: none"> • Code of Conduct
8	Principle 8 - Businesses should support inclusive growth and equitable development.	<ul style="list-style-type: none"> • CSR Policy
9	Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.	<ul style="list-style-type: none"> • Quality Policy

If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the Business Responsibility Report. It is published on a yearly basis as part of the Annual Report. The same can be accessed at: www.tejasnetworks.com

SECTION E:

Principle-wise performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company structure specifies the distribution of rights and responsibilities among different participants of the corporation such as the Board, Managers, Shareholders and other stakeholders and spells out the systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders and in a manner that is accountable and responsible to the shareholders. In a wider interpretation, corporate governance includes company's accountability to shareholders and other stakeholders such as employees, suppliers, customers and local community. Our corporate philosophy seeks to ensure truth, transparency, accountability and responsibility and is committed to meet the aspirations of all our stakeholders. Our code of business principles reflects our continued commitment to ethical business practices, values and compliance to all laws of the land. Corporate governance is not merely compliance but also a philosophy to be professed and its objective is to create and adhere to a corporate culture of transparency and openness and to develop capabilities and identified opportunities that best serves the goal of value creation, thereby creating an outperforming organization.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs / Others?

Our Code of Conduct and Whistle Blower policy covers not only the employees but also extended to cover Group/Joint Ventures/Suppliers/Contractors/ NGOs / Other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year 2018-19, 5 share-related complaints were received from various stakeholders (i.e.) Shareholders of the Company. All the complaints have been resolved satisfactorily.

Principle 2:- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

TJ1400, TJ1600 product lines. The product lines have several power saving features and are designed to minimize carbon footprint.

2. For each such product, provide the following details in respect of resource use (Energy, water, raw material etc.) per unit of product (optional):

The above products have several power saving features to lower the carbon footprint of the product. TJ1400 and TJ-1600 are designed using new generation field programmable chips (FPGAs) for reducing static power and clock enable/gating logic to reduce dynamic power in FPGAs. TJI 1400 has been used in providing the rural broadband connections under Bharat Net projects to more than 40000+ villages in India so far.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our suppliers are categorized into three broad categories – People, Services and Products. Our contracts have appropriate clauses and checks to prevent the employment of child labor or forced labor in any form. We continue to engage with all supplier segments working within our boundary covering People and Services. We engage with local suppliers for our People and Services categories.

4. Has the company taken any steps to procure goods and services

from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We have a comprehensive engagement model, to meaningfully engage with our suppliers on material aspects. Regular capacity building and assessments are conducted for key suppliers. The proportion of spending on domestic suppliers at significant locations was about 50% in fiscal 2019. Today we have a very wide & well established supplier base including number of suppliers from local & small producers and we continue to encourage the strengthening of the local buying from India.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our integration & testing facility does not produce any hazardous waste. The waste generated is only from packaging etc. Further in line with the requirements of ISO14001 environmental standards we re-use most of the packaging boxes for intermediate packing & movement. We re-use the packaging received from cable vendors & Sheet metal vendors for our Kit packaging. Most of our packaging use carton boxes instead of ply wood/Hardwood packaging.

Principle 3: - Businesses should promote the wellbeing of all employees

The Company ensures a work environment that promotes well-being of all its employees. Focusing on health, safety and preventing discrimination are part of the Company's guiding principles on employees' well-being. The Company provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability etc., The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance redressal mechanisms. The Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. We have a mechanism in place to foster a positive work place environment free from harassment of any nature. We have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the work place. We follow a gender-neutral approach in handling complaints of sexual harassment. Our ASHI policy applies to everyone involved in the operations of the Company, including vendors and clients. We have also constituted an Internal Complaints Committee (ICC) in all locations across India to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The cases are heard and resolved by an independent group. The Company contributes to the medical insurance of its employees and also organises health check-ups for employees. The Company also enhances employee engagement through various initiatives on an ongoing basis. The Company is deeply committed to safety of its employees at workplace and regularly organises mock fire drills and fire safety training classes at all its locations.

- Please indicate the Total number of employees.
765 as on March 31, 2019
- Please indicate the Total number of employees hired on temporary/contractual/casual basis.
Most of our employees work as full-time, permanent employees
- Please indicate the Number of permanent women employees

The number of our permanent women employees is 82 as on March 31, 2019

4. Please indicate the Number of permanent employees with disabilities

Being an equal opportunity employer, we encourage employees to disclose their disabilities and seek reasonable accommodation to allow them to perform to their full potential. There were two employees who have voluntarily disclosed their disability status as on March 31, 2019.

5. Do you have an employee association that is recognized by management?

Not applicable.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable

7. Please indicate the number of complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment in the last financial year and pending, as on the end of the financial year

Category	No.of. Complaints filed during the financial year	No.of. Complaints pending as on the end of the financial year.
Child labour/ forced labour/ involuntary labour	Nil	Nil
Sexual Harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year.

- Permanent Employees
- Permanent Women Employees
- Casual / Temporary/ Contractual Employees.
- Employees with Disabilities

Safety: We provide the awareness session on periodic demonstration mock drills related to safety and security of the employees.

Skill up-gradation: Our training programs includes on the job training and class room sessions.

Principle 4:- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company is responsive to the requirements of all its Stakeholders and this is enshrined in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect and Responsibility. These values require that the Company acts as a responsible corporate citizen and change lives for the better and this is to be done in a manner that reflects humility. These values require us to provide everyone equal opportunities to progress and grow. The Company considers its employees, business associates, customers, shareholders/investors and communities surrounding its operations and regulatory authorities as its key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets,

customer/employee satisfaction surveys, investor forums, etc. The Company's website www.tejasnetworks.com contains comprehensive information about the Company. The Company also has designated an exclusive email-id for investor services ir@tejasnetworks.com. The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. Has the Company mapped its internal and external stakeholders

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is set out in its code of conduct. The policy provides conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Policy on Human Rights covers not only the Company but extends to its subsidiaries. The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs. Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. All employees and contractors are required to respect the human rights of fellow workers and communities where we operate. The Company does not employ child labours and does not permit any occurrence of forced or compulsory labour, conducts proper checks and audits to ensure that our contractors follow the same. The Company's business relationship with its vendors/contractors encourages its vendors to comply with the relevant laws safeguarding labour rights and human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer Stakeholders Relationship Committee Report of the Corporate Governance report provided in the Annual Report.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

Tejas is committed to meeting ISO14001 Standard requirements and other relevant environmental regulations and undertakes continual improvements in its business management processes.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company encourages all its external stakeholders to strictly adhere to safety and restoration of the environment. Our major suppliers for EMS and PCB vendors, cable assembly vendors comply with ISO 14001 standards and have a clear policy to safeguard the environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

As a responsible product Company, we give due consideration to environmental issues like global warming, climate change etc. and our products are designed accordingly. As a global supplier of telecom equipment our products are qualified in various countries including US & Europe to meet strict environmental, emission norms. While selecting components we choose energy efficient chip sets which consume less power. We customize the power supply to ensure we don't overengineer the energy requirement. Most of our parts are ROHS 6/6 compliant & environmentally friendly. In Integration facility we ensured we use lot of daylight and minimize the consumption of power. The Company designs its products in such a way that the total carbon footprint is minimized. The use of next-generation chips that consume less power, programmable slew rate/ drive strength, dynamically tristable DCI and HSTL/low power serial links wherever possible minimizes energy use.

3. Does the company identify and assess potential environmental risks? Y/N

As a responsible electronics product manufacturer, the Company ensures that its products meet international EU directives such as WEEE (Waste of Electrical and Electronics Equipment) and RoHS (restriction on the use of hazardous substances). The Company thus contributes to a circular economy through improvements in collection, treatment and recycling of electronics at the end of their life

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Tejas Networks complies with the requirements of ISO14001 environmental standards and meets all the statutory & regulatory requirements on environmental aspects. Necessary reports are generated & maintained. We do the study on aspect & impact analysis on activity we do in Tejas. Risks are adequately mitigated. All components selected based on ROHS compliancy and regulatory requirement. We have provided employee safety gears at the rework stations & provided suction units for fumes.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Tejas has initiated various initiatives towards energy efficiency. The few to mention are atrium in factory premises to use natural light, save water and save electricity campaign with various teasers and

visuals, Tejas also recommends compliance to ISO 14001 standard to its suppliers. Many of Tejas suppliers are ISO 14001 certified. In addition, we have designed some of our customer premise equipment, especially those which can potentially be deployed in remote areas with power constraints, to support solar powering.

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

As the nature of Tejas production system is green, the emission and waste generated are well within the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no pending or unresolved show cause/legal notices from CPCB/SPCB as at the end of 2018-19.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Tejas Networks Limited ('Tejas' or 'the Company') has adopted Corporate Social Responsibility Policy ('CSR') initiatives so as to attain the sustained economic performance, environmental and social stewardship and strive for economic development that positively impacts the society at large. Tejas works towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating abandoned women and children, and preserving Indian art and culture. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?

The Company undertakes CSR project/programs identified by the CSR Committee and approved by the Board of Directors, in line with the CSR Policy. The CSR activity is carried out through external NGO and also by an organization of repute.

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs a review and an impact assessment of its initiatives at the end of each year to understand the effectiveness of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives..

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year 2018-19, the Company has spent an amount of ₹ 0.98 crore on CSR activities encompassing various community development projects. Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure '6' to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR Committee of the Board of Directors identifies and implements all CSR projects/ programs and periodic reports are provided for review by the Committee. The responsibilities of the CSR Committee include formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken, recommending the amount of expenditure for the CSR activities, and monitoring CSR activities from time to time

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There were no customer complaints/consumer cases pending as on March 31, 2019.

2. Does the company display product information on the product label, over and above what is mandated as per local laws ?

Yes. Over and above the mandatory requirements, the Company also subscribes to various customer information requirements. Product Information about the physical dimensions and/or compositions.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, we conduct a customer satisfaction survey every year.