

PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1) and 4 READ WITH REGULATIONS 13, 14 and 15(1) OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”) FOR THE ATTENTION OF THE ELIGIBLE SHAREHOLDERS OF TEJAS NETWORKS LIMITED

Open offer for acquisition of up to 4,02,55,631 fully paid-up equity shares of face value of INR 10 (Indian Rupees Ten only) each (“Equity Share”) representing 26% of the Expanded Voting Share Capital (*as defined below*) of Tejas Networks Limited (“Target Company”) from the Eligible Shareholders (*as defined below*) of the Target Company by Panatone Finvest Limited (“Acquirer 1”) and Akashastha Technologies Private Limited (“Acquirer 2”) (Acquirer 1 and Acquirer 2, collectively referred to as “Acquirers”) along with Tata Sons Private Limited (“PAC”), in its capacity as person acting in concert with the Acquirers (“Offer” / “Open Offer”).

This public announcement (“**Public Announcement**” or “**PA**”) is being issued by Kotak Mahindra Capital Company Limited, the manager to the Open Offer (“**Manager**”), for and on behalf of the Acquirers and PAC and to the Eligible Shareholders pursuant to and in compliance with regulations 3(1) and 4, read with other applicable regulations of the SEBI (SAST) Regulations.

For the purposes of this Public Announcement, the following terms would have the meaning assigned to them below:

- (a) “**Eligible Shareholders**” shall mean all the shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the (i) the Acquirers and the PAC; and (ii) parties to the underlying SPA (*as defined below*) including persons deemed to be acting in concert with the Acquirers and/or the PAC and such parties to the SPA.
- (b) “**Expanded Voting Share Capital**” shall mean the total voting equity share capital of the Target Company after taking into account all potential increases in the voting equity share capital expected as of the 10th (tenth) working day from the closure of the tendering period for the Offer. This includes (i) 1,93,79,845 Subscription Shares (*as defined below*) proposed to be allotted by the Target Company to Acquirer 1 by way of the Preferential Issue (*as defined below*), subject to, *inter alia*, the approval of the shareholders of the Target Company and other statutory/ regulatory approvals, if any; (ii) 3,68,21,706 Series A Warrants (*as defined below*), to be allotted by the Target Company to Acquirer 1 by way of the Preferential Issue, subject to, *inter alia*, the approval of the shareholders of the Target Company and other statutory/ regulatory approvals, if any, each carrying a right to subscribe to 1 (one) Equity Share which may be exercised in one or more tranches during the period commencing from the date of allotment until the expiry of 11 (eleven) months from the date of allotment; and (iii) 49,20,275 employee stock options and restricted stock units already vested or which shall vest on or prior to December 31, 2021.
- (c) “**SEBI**” means the Securities and Exchange Board of India.

1. Offer Details

- 1.1. **Offer Size:** The Acquirers and the PAC hereby make this Open Offer to the Eligible Shareholders to acquire up to 4,02,55,631 Equity Shares, constituting 26% (twenty six percent) of the Expanded Voting Share Capital (“**Offer Shares**”) at a price of INR 258.00 (Indian Rupees Two Hundred

Fifty Eight only) per Offer Share aggregating to a total consideration of be INR 10,38,59,52,798 (Indian Rupees One Thousand Thirty Eight Crores Fifty Nine Lakhs Fifty Two Thousand Seven Hundred Ninety Eight only) (assuming full acceptance), subject to the terms and conditions mentioned in this Public Announcement, and to be set out in the detailed public statement (“DPS”) and the letter of offer (“LOF”), that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- 1.2. **Offer Price / Consideration:** The Equity Shares are frequently traded in terms of SEBI (SAST) Regulations. The Open Offer is being made at a price of INR 258.00 (Indian Rupees Two Hundred Fifty Eight only) per Equity Share (“Offer Price”), which has been determined in accordance with regulation 8(1) and regulation 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance of the Offer, the total consideration payable by the Acquirers will be INR 10,38,59,52,798 (Indian Rupees One Thousand Thirty Eight Crores Fifty Nine Lakhs Fifty Two Thousand Seven Hundred Ninety Eight only).
- 1.3. **Mode of Payment:** The Offer Price will be paid in cash, in accordance with regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 1.4. **Type of Offer:** This Open Offer is a mandatory offer in compliance with regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the substantial acquisition of shares, voting rights and control over the Target Company by the Acquirers and PAC. This Open Offer is not subject to any minimum level of acceptance. This Open Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.

2. Transactions which have triggered the Open Offer obligations (“Underlying Transactions”)

Type of transaction (direct/ indirect)	Mode of transaction (agreement/ allotment/ market purchase)	Shares / voting rights acquired / proposed to be acquired		Total consideration for shares / voting rights acquired (INR)	Mode of payment (cash/ securities)	Regulation which has triggered
		Number	% vis a vis total equity / voting capital ⁽¹⁾			
Direct	<u>Share Subscription Agreement:</u> The board of directors of the Target Company passed a resolution on July 29, 2021 authorizing the issuance and allotment of the following securities of the Target Company to Acquirer 1, by way of a preferential issue on a private placement basis, in the following manner (“Preferential Issue”):⁽²⁾ a. 1,93,79,845 Equity Shares, at a price of INR 258.00 (Indian Rupees Two Hundred Fifty Eight only) per Equity Share (“Subscription Shares”);	1,93,79,845	12.5%	5,00,00,00,010		

	b. 3,68,21,706 warrants, each carrying a right to subscribe to 1 (one) Equity Share at an exercise price of INR 258.00 (Indian Rupees Two Hundred Fifty Eight only) per Equity Share (“Series A Warrant Exercise Price”), which may be exercised in one or more tranches during the period commencing from the date of allotment until the expiry of 11 (eleven) months from the date of allotment (“Series A Warrants”);⁽³⁾ and c. 1,55,03,876 warrants, each carrying a right to subscribe to 1 (one) Equity Share at an exercise price of INR 258.00 (Indian Rupees Two Hundred Fifty Eight only) per Equity Share (“Series B Warrant Exercise Price”), which may be exercised in one or more tranches during the period commencing from the expiry of 12 (twelve) months from the date of allotment until the expiry of 18 (eighteen) months from the date of allotment (“Series B Warrants”). The terms and conditions of the Preferential Issue and other rights to be granted to Acquirer 1 are set out in the share subscription agreement executed by and between Acquirer 1 and the Target Company on July 29, 2021.	3,68,21,706 ⁽⁴⁾	23.8% ⁽⁴⁾	9,50,00,00,148 ⁽⁵⁾	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations
	<u>Share Purchase Agreement:</u> Acquirer 1 has entered into a share purchase agreement (“SPA”) on July 29, 2021 with the Sellers (<i>as defined below</i>) pursuant to which Acquirer 1 has agreed to acquire up to 13,00,000 Equity Shares at a price not exceeding Rs 258.00 (Indian Rupees Two Hundred Fifty Eight only) Equity Shares of the Target Company from the Sellers, subject to the satisfaction of certain conditions precedent as specified in the SPA.	Refer to note 6	Refer to note 6	Refer to notes 5 and 6		
		13,00,000	0.8%	33,54,00,000		

Notes:

- (1) Calculated as a percentage of the Expanded Voting Share Capital
- (2) The Subscription Shares, Series A Warrants and Series B Warrants shall be allotted within the timelines prescribed under regulation 170 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, subject to, inter alia, the approval of the shareholders of the Target Company and other statutory/ regulatory approvals, if any.
- (3) Acquirer 1 proposes to exercise the Series A Warrants not later than 26 (twenty six) weeks from the expiry of the offer period.
- (4) Assuming Acquirer 1 exercises all of the Series A Warrants.
- (5) An amount equivalent to 25% of the Series A Warrant Exercise Price and Series B Warrant Exercise Price shall be payable by Acquirer 1 to the Target Company at the time of subscription and allotment of the Series A Warrants and Series B Warrants, and the balance 75% of the Series A Warrant Exercise Price and Series B Warrant

Exercise Price shall be payable at the time of allotment of equity shares pursuant to exercise of the right attached to the Series A Warrants and Series B Warrants to subscribe to Equity Share. The amount paid shall be adjusted / set-off against the issue price for the resultant Equity Shares.

- (6) *If Acquirer 1 exercises all of the Series B Warrants, Acquirer 1 would be allotted 1,55,03,876 Equity Shares representing 9.1% of the voting share capital of the Target Company (assuming the voting share capital is the aggregate of the Expanded Voting Share Capital and the Equity Shares allotted pursuant to the exercise of the Series B Warrants).*
- (7) *Further, the Acquirers may acquire up to 2,20,00,000 Equity Shares representing up to 14.2% of the Expanded Voting Share Capital, by way of purchases on the floor of the Stock Exchanges from the date of this Public Announcement up to three working days prior to the commencement of the tendering period under the Open Offer.*

The Acquirers and the PAC would be acquiring control over the Target Company in terms of the SEBI (SAST) Regulations and shall become the promoters/ members of the promoter group of the Target Company, in accordance with the provisions of the Securities and Exchange Board of India (Listed Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3. Acquirers / PAC

Details	Name	Registered Office Address	Name(s) of persons in control/ promoters of Acquirer/PAC where Acquirer/ PAC is a company	Name of the group, if any, to which the Acquirer/PAC belongs to	Pre-transaction shareholding		Proposed shareholding after the acquisition of shares which triggered the Open Offer (including Offer Shares) ⁽¹⁾	Any other interest in the Target Company
					Number	% of total Expanded Voting Share Capital		
Acquirer 1	Panatone Finvest Limited	Bombay House, 24 Homi Mody Street, Mumbai 400001	PAC	Tata Group	Nil	Nil	9,77,57,182 Equity Shares (63.1% of the Expanded Voting Share Capital) ⁽²⁾⁽³⁾	Nil
Acquirer 2	Akashastha Technologies Private Limited	Army and Navy Building, M G Road, Kala Ghoda, Fort, Mumbai, Mumbai 400001	Acquirer 1	Tata Group	Nil	Nil		Nil
PAC	Tata Sons Private Limited	Bombay House, 24 Homi Mody Street, Mumbai 400001	Two public charitable trusts, namely Sir Dorab Tata Trust and Sir Ratan Tata Trust, are the PAC's major shareholders.	Tata Group	Nil	Nil	Nil	Nil
Total	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Nil	Nil	9,77,57,182 Equity Shares (63.1% of the Expanded Voting Share Capital) ⁽²⁾⁽³⁾	Not Applicable

Notes:

- (1) Assuming full acceptance of the Open Offer.
- (2) Including 1,93,79,845 Subscription Shares to be issued by the Target Company to Acquirer 1 through the Preferential Issue, 3,68,21,706 Equity Shares to be issued by the Target Company to Acquirer 1 on exercise of 3,68,21,706 Series A Warrants (assuming Acquirer 1 exercises all of the Series A Warrants) and 13,00,000 Equity Shares to be acquired by Acquirer 1 under the SPA. The number of Equity Shares to be acquired by each of the Acquirers under the Open Offer will be decided by the Acquirers basis the response received from the Eligible Shareholders under the Open Offer.
- (3) In addition to above, if Acquirer 1 exercises all of the Series B Warrants, Acquirer 1 would be allotted 1,55,03,876 Equity Shares representing 9.1% of the voting share capital of the Target Company (assuming the voting share capital is the aggregate of the Expanded Voting Share Capital and the Equity Shares allotted pursuant to the exercise of the Series B Warrants).
- (4) In the event the shareholding of the Acquirers, after completion of the Offer and the Underlying Transactions, exceeds 75% of the equity share capital of the Target Company, the Acquirers will ensure compliance with the minimum public shareholding requirements in the manner and timelines prescribed under applicable law.

4. Details of the selling shareholder(s)

4.1. The details of the sellers under the SPA (“Sellers”) are as follows:

Name	Part of promoter group (Yes/ No)	Details of Equity Shares/ voting rights held by the selling shareholder			
		Pre Transaction		Post Transaction	
		Number of Equity Shares	% vis-à-vis share capital ⁽¹⁾	Number of Equity Shares	% vis-à-vis share capital ⁽²⁾
Sanjay Nayak	No	27,43,470	2.93%	23,43,470	1.51%
Kumar N. Sivarajan	No	18,53,184	1.98%	14,53,184	0.94%
Arnob Roy	No	6,64,200	0.71%	2,64,200	0.17%
H Venkatesh Gadiyar	No	2,97,008	0.32%	1,97,008	0.13%
Total		55,57,862	5.93%	42,57,862	2.75%

Notes:

- (1) Calculated on the basis of the total number of Equity Shares outstanding as on July 29, 2021
- (2) Calculated as a percentage of the Expanded Voting Share Capital

5. Target Company

Name:	Tejas Networks Limited
CIN:	L72900KA2000PLC026980
Registered Office:	J P Software Park, Plot No 25, Sy. No 13, 14,17,18 Konnapana Agrahara Village, Begur Hobli, Bangalore Karnataka 560100
Exchanges where listed:	Equity Shares of the Target Company are listed on BSE Limited (Scrip code: 540595) and The National Stock Exchange of India Limited (Symbol: TEJASNET)

6. Other Details

- 6.1. The Public Announcement is made in compliance with regulation 13(1) of the SEBI (SAST) Regulations. The DPS will be published by August 5, 2021, i.e. within 5 working days of the Public Announcement, as required under regulation 13(4) read with Regulation 14(3) of the SEBI (SAST) Regulations. The DPS shall, *inter alia*, contain details of the Offer including detailed information on the Offer Price, the Acquirers and the PAC, the Target Company, Sellers, background to the Offer, statutory approvals, if any, required for the Offer and details of financial arrangements and other terms of the Offer.
- 6.2. Completion of the Offer and the Underlying Transactions is subject to statutory/ regulatory approvals (as applicable). Subject to compliance with the SEBI (SAST) Regulations, the Underlying Transactions may be completed prior to completion of the Offer.
- 6.3. The Acquirers and the PAC and their respective directors, in their capacity as directors, accept full responsibility for the information contained in the Public Announcement. The Acquirers and the PAC undertake that they are aware of and will comply with the obligations under the SEBI (SAST) Regulations. The Acquirers and the PAC have adequate financial resources to meet its obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of regulation 25(1) of the SEBI (SAST) Regulations.
- 6.4. The Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the SEBI (SAST) Regulations. This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
- 6.5. This Offer is subject to the terms and conditions mentioned in this Public Announcement, and to be set out in the DPS and LoF that are proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 6.6. All the information pertaining to the Target Company contained in this Public Announcement has been obtained from publicly available sources or provided by the Target Company. All the information pertaining to the Sellers contained in this Public Announcement has been obtained from the Sellers.

6.7. In this Public Announcement, all references to “INR” are references to Indian Rupees.

6.8. In this Public Announcement, any discrepancy in any amounts as a result of multiplication or totaling is due to rounding off.

Issued by the Manager to the Offer



Kotak Mahindra Capital Company Limited

27BKC, 1st Floor, Plot No. C-27, 'G' Block, Bandra Kurla Complex,

Bandra (East), Mumbai 400 051

Contact Person: Mr. Ganesh Rane

Phone: +91 22 4336 0128

Fax: +91 22 6713 2447

Email: tejasnetworks.openoffer@kotak.com

SEBI Registration Number: INM000008704

Validity Period: Permanent Registration

For and on behalf of Acquirers and PAC

Panatone Finvest Limited (Acquirer 1)

Akashastha Technologies Private Limited (Acquirer 2)

Tata Sons Private Limited (PAC)

Place: Mumbai

Date: July 29, 2021