



Press Release

Tejas Networks announces a strategic investment from Panatone Finvest Limited, a subsidiary of Tata Sons Private Limited, for a controlling stake in the company

Panatone Finvest Limited to make an open offer to acquire up to 26.0% stake in accordance with SEBI Takeover Regulations

Bengaluru, July 29, 2021: Tejas Networks [BSE: 540595, NSE: TEJASNET] today announced that it has executed definitive agreements with Panatone Finvest Limited ("Panatone"), a subsidiary of Tata Sons Private Limited ("TATA"), which will entail:

- a) Preferential allotment of 1.94 crore equity shares at a price per equity share of INR 258 per share aggregating to INR 500 crore;
- b) Preferential allotment of 3.68 crore warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of INR 258 per equity share aggregating to INR 950 crore, which may be exercised by Panatone in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 11 (eleven) months from the date of allotment of the warrants;
- c) Preferential allotment of 1.55 crore warrants, each carrying a right to subscribe to 1 (one) equity share at an exercise price of INR 258 per equity share aggregating to INR 400 crore, which may be exercised by Panatone in one or more tranches during the period commencing from the expiry of 12 (twelve) months from the date of allotment of the warrants until expiry of 18 (eighteen) months from the date of allotment of the warrants;
- d) Acquisition of up to 13 lakh equity shares of the Tejas Networks from certain personnel in management, at a price not exceeding INR 258 per equity share aggregating to INR 34 crore, subject to such terms and conditions as mutually agreed between the parties;

Panatone and other certain companies of the Tata group would make a Public Announcement to acquire up to 4.03 crore equity shares of Tejas Networks representing 26.00% of the emerging voting capital in accordance with SEBI Takeover Regulations.

Tejas Networks sees a very large opportunity in the telecom sector both in India and global markets with the new cycle of investments in 5G and fiber-based broadband rollouts. Tejas Networks will utilize the proceeds raised from the preferential allotment to invest organically and inorganically in the research & development, sales and marketing, people, infrastructure and to enhance its manufacturing and operational capabilities to cater to this large market opportunity, and for other general corporate purpose.

Speaking on this transaction, **Mr. Saurabh Agrawal, Executive Director of Tata Sons Private Limited**, said "We are excited to partner with Tejas Networks, India's leading telecom and network company with a strong DNA of R&D. We look forward to working with the highly experienced management team of Tejas Networks and creating a full stack of globally competitive wireline and wireless products."



Mr. V Balakrishnan, Chairman of Tejas Networks, said “We are delighted about our association with the Tata group, which has a long history of building highly successful global businesses of scale. This association provides us the necessary financial resources, global relationships and strong ecosystem to innovate and scale our business.”

Mr. Sanjay Nayak, CEO and Managing Director at Tejas Networks said “We are privileged to be part of the Tata group, which has a rich legacy as India’s most visible and trusted business brand. Tejas Networks was started with a vision of creating a top-tier global telecom equipment company from India. The association with Tata group will accelerate the realisation of this vision and enable us to address the large market opportunity available to us to build a financially strong global company, backed by a trusted brand. I am fully committed to making this a success and am excited about the next phase of our journey.”

Sanjay Nayak shall continue as Managing Director and Chief Executive Officer to lead Tejas Networks along with the existing management team through the next phase of growth.

The preferential allotment of the equity shares and warrants has been approved by the Board of Directors of Tejas Networks and the transactions are subject to shareholders’ approval and other customary closing conditions and approvals.

Kotak Mahindra Capital Company Limited is acting as the manager to the open offer and Khaitan & Co is acting as the legal advisor to the transaction.

About Panatone: *Panatone is a subsidiary of the Tata Sons Private Limited*

About Tata Group: *Founded by Jamsetji Tata in 1868, the Tata group is a global enterprise, headquartered in India, comprising 30 companies across ten verticals. The group operates in more than 100 countries across six continents, with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'. Tata Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture. In 2019-20, the revenue of Tata companies, taken together, was \$106 billion (INR 7.5 trillion). These companies collectively employ over 750,000 people. Each Tata company or enterprise operates independently under the guidance and supervision of its own board of directors. There are 29 publicly-listed Tata enterprises with a combined market capitalisation of \$123 billion (INR 9.3 trillion) as on March 31, 2020. Companies include Tata Consultancy Services, Tata Motors, Tata Steel, Tata Chemicals, Tata Consumer Products, Titan, Tata Capital, Tata Power, Tata Advanced Systems, Indian Hotels and Tata Communications. For more details visit www.tata.com.*



About Tejas Networks: *Tejas Networks designs, develops and sells high-performance 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.*

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Additional Information

SHAREHOLDERS AND INVESTORS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH AND THE STOCK EXCHANGES CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.

Disclaimer: Certain statements in this announcement may not be based on historical information or facts and may be “forward looking statements” within the meaning of applicable laws and regulations, including, but not limited to, those relating to general business plans & strategy of the companies forming part of the TATA Group or Tejas Networks, their future outlook & growth prospects, future developments in their businesses, their competitive & regulatory environment and management’s current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. The companies forming part of the TATA Group and Tejas Networks assume no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This announcement does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the shares of Tejas Networks. The financial figures in this “Press Release” have been rounded off to the nearest INR one crore.