

# PANATONE FINVEST LIMITED

Date: March 23, 2021

<b>Tata Communications Limited</b> VSB, Mahatma Gandhi Road, Fort, Mumbai 400 001	<b>BSE Limited</b> Corporate Relationship Department Phiroze Jeejebhoy Towers Dalal Street, Mumbai-400 001 <b>Scrip Code: 500483</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai, Maharashtra 400051 <b>Scrip Code: TATACOMM</b>
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Dear Sir/Ma'am,

**Sub: Disclosure under Regulation 10(6) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations")**

We, Panatone Finvest Limited have acquired 2,85,00,000 equity shares of the face value of Rs. 10 each ("Equity Shares") of Tata Communications Limited (the "**Target Company/TC**"), representing 10.00 % of the total issued and paid-up equity share capital of the Target Company from the President of India (as represented by and acting through the Ministry of Communications, Government of India) ("**GoI**") via an off-market transfer of shares on March 18, 2021.

This intimation is being made in compliance with Regulation 10 (6) of the Takeover Regulations. Request you to kindly take the same on record and oblige.

Yours faithfully,  
For Panatone Finvest Limited

Chetan Nage  
Company Secretary

**Bombay House 24 Homi Mody Street Mumbai 400 001**  
**Phone 6665 7344/ 7136 Fax 6665 8080**  
**(CIN No. U67120MH1992PLC066160)**

# PANATONE FINVEST LIMITED

**Format for Disclosures under Regulation 10(6) -Report to Stock Exchanges in respect of any acquisition made in reliance upon exemption provided for in Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**

1.	Name of the Target Company (TC)	Tata Communications Limited
2.	Name of the acquirer(s)	Panatone Finvest Limited (“ <b>Acquirer</b> ”)
3.	Name of the stock exchange where shares of the TC are listed	BSE Limited and National Stock Exchange of India Limited
4.	Details of the transaction including rationale, if any, for the transfer/ acquisition of shares.	Based on recommendations of the Department of Investment and Public Asset Management in terms of the letter dated January 12, 2021, the President of India (as represented by and acting through the Ministry of Communications, Government of India) ( <b>GoI</b> ) has divested its equity shareholding of 26.12% in Tata Communications Limited (the “ <b>Target Company/TC</b> ”), by (i) an offer for sale through the stock exchange mechanism which took place on March 16, 2021 and March 17, 2021 (the “ <b>OFS</b> ”), pursuant to which the GoI sold 4,59,46,885 equity shares of the face value of Rs. 10 each (“ <b>Equity Shares</b> ”) of the Target Company, representing 16.12 % of the total issued and paid-up equity share capital of the Target Company, and (ii) the sale of the balance shareholding of the GoI in the Target Company, i.e., 2,85,00,000 equity shares representing 10.00 % of the total issued and paid-up equity share capital of the Target Company, to the Acquirer via an off-market inter se transfer of shares between promoters that took place on March 18, 2021.

# PANATONE FINVEST LIMITED

5.	Relevant regulation under which the acquirer is exempted from making open offer.	In exercise of the powers conferred upon SEBI under section 19 r/w sections 11(1) and 11(2)(h) of the SEBI Act, 1992 and regulation 11(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“ <b>Takeover Regulations</b> ”), SEBI has granted specific exemption to the Acquirer from complying with the requirements of regulations 3(2) r/w regulation 10(1)(a)(ii) vide its order dated February 23, 2021 bearing number WTM/SKM/CFD/5/2020-21.	
6.	Whether disclosure of proposed acquisition was required to be made under regulation 10 (5) and if so, - whether disclosure was made and whether it was made within the timeline specified under the regulations. - date of filing with the stock exchange.	Yes, the disclosure was made under Regulation 10 (5) of the Takeover Regulations within the timeline specified under the Takeover Regulations on March 4, 2021.	
7.	Details of acquisition	Disclosures required to be made under regulation 10(5)	Whether the disclosures under regulation 10(5) are actually made
a.	Name of the transferor / seller	The President of India as represented by and acting through the Ministry of Communications (“ <b>GoI</b> ”), who is also a promoter of the TC.	Yes.
b.	Date of acquisition	Within 1 (one) clear Business Day of the sale of equity shares of the TC by the GoI pursuant to the OFS (as defined below) and no later than March 20, 2021, or such other date as may be mutually agreed between the Acquirer and the GoI.	Yes.  The acquisition of shares was undertaken on March 18, 2021.
c.	Number of shares/ voting rights in respect of the acquisitions from each person mentioned in 7(a) above	A minimum of 10% of the outstanding equity share capital of the TC, being 2,85,00,000 equity shares, and a maximum of 26.12% of the outstanding equity share capital of the TC, being 7,44,46,885 equity shares.	Yes.  The number of shares/voting rights acquired is 2,85,00,000 equity shares

# PANATONE FINVEST LIMITED

	d.	Total shares proposed to be acquired / actually acquired as a % of diluted share capital of TC	A minimum of 10% of the outstanding equity share capital of the TC, being 2,85,00,000 equity shares, and a maximum of 26.12% of the outstanding equity share capital of the TC, being 7,44,46,885 equity shares.		Yes. The total shares actually acquired is 10.00% of the diluted share capital of TC.	
	e.	Price at which shares are proposed to be acquired / actually acquired	The price was to be arrived basis the price discovery in the OFS. Given the OFS process was yet to be launched, at that stage, the exact price was not ascertainable.		Yes. The price at which shares were actually acquired is Rs. 33,89,20,91,700 (Rs. 1189.1962 per equity share).	
8.	Shareholding details		Pre-Transaction		Post-Transaction	
			No. of shares held	% w.r.t total share capital of TC	No. of shares held	% w.r.t total share capital of TC
	a	Each Acquirer / Transferee(*)	9,91,72,854	34.80	12,76,72,854	44.80
	b	Each Seller / Transferor	2,85,00,000	10.00	0	0.00

**Note:**

- (\*) Shareholding of each entity shall be shown separately and then collectively in a group.
- The above disclosure shall be signed by the acquirer mentioning date & place. In case, there is more than one acquirer, the report shall be signed either by all the persons or by a person duly authorized to do so on behalf of all the acquirers.

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For Panatone Finvest Limited

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Signature: Chetan Nage  
Company Secretary

Date: March 23, 2021

Place: Mumbai

Enclosures

(1) SEBI exemption order WTM/SKM/CFD/5/2020-21 dated February 23, 2021

**Bombay House 24 Homi Mody Street Mumbai 400 001**  
**Phone 6665 7344/ 7136 Fax 6665 8080**  
**(CIN No. U67120MH1992PLC066160)**

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

UNDER SECTION 11(1) AND SECTION 11(2)(h) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 11(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN -

TARGET COMPANY	TATA COMMUNICATIONS LIMITED
ACQUIRER	PANTONE FINVEST LIMITED

**Background**

1. Tata Communications Limited (for convenience "*Target Company*") was incorporated as a limited liability company on March 19, 1986 and was, at that time, called 'Videsh Sanchar Nigam Limited' and was wholly owned by the Government of India (for convenience "*GoI*"). On April 1, 1986, the *Target Company* assumed control and management of international telecommunication services from the Overseas Communication Service (OCS), a department of the Ministry of Communications of the *GoI*. In 2002, the *Target Company* was privatized with the persons acting in concert, acquiring a controlling stake in the *Target Company*.
2. The *Target Company's* registered office is located at VSB, Mahatma Gandhi Road, Fort, Mumbai - 400001. Currently, the main business activities of the *Target Company* are national and international telecommunications services including internet services, information technology products and services and leasing, developing etc. of immovable properties of the *Target Company*.



3. An Application dated February 05, 2021 (for convenience "*Application*") seeking exemption from the applicability of regulation 3(2) read with regulation 10(1)(a)(ii) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (for convenience "*Takeover Regulations 2011*") in the matter of proposed direct acquisition of shares in the *Target Company* has been received by SEBI from Pantone Finvest Limited (for convenience "*Acquirer*").

4. Regulation 3(2) and Regulation 10(1)(a)(ii) of the *Takeover Regulations 2011* states as under-

*"Substantial acquisition of shares or voting rights.*

3. (2) No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

*Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.*

#### **General Exemptions**

10(1) The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefor, –

(a) acquisition pursuant to inter se transfer of shares amongst qualifying persons, being-

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(ii) persons named as promoters in the shareholding pattern filed by the target company in terms of the [listing regulations or as the case may be, the listing agreement] or these regulations for not less than three years prior to the proposed acquisition;

Provided that for purposes of availing of the exemption under this clause, –

(i) If the shares of the target company are frequently traded, the acquisition price per share shall not be higher by more than twenty-five per cent of the volume-weighted average market price for a period of sixty trading days preceding the date of issuance of notice for the proposed inter se transfer under sub-regulation (5), as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, and if the shares of the target company are infrequently traded, the acquisition price shall not be higher by more than twenty-five percent of the price determined in terms of clause (e) of sub-regulation (2) of regulation 8;

5. In the aforementioned Application, the following has been , *inter alia*, stated:

- (a) The issued, subscribed and paid up Equity Share Capital of the Target Company is ₹2,85,00,00,000/- divided into 28,50,00,000 equity shares of ₹10/- each. Target Company has a public shareholding of 25.01% and the non-public shareholding of 74.99% is entirely held by the promoters and the promoter group. GoI is also a promoter in the Target Company and presently holding 7,44,46,885 equity shares through President of India, constituting 26.12% of the total shareholding of the Target Company.
- (b) Based on recommendations of the Department of Investment and Public Asset Management in terms of the letter dated January 12, 2021, the GoI proposes to divest its equity shareholding of 26.12% in the Target Company. As an initial step, the GoI intends to sell up to 4,59,46,885 equity shares forming 16.12% equity shareholding of the Target Company through Offer for Sale through stock exchange mechanism route (for convenience "OFS") in terms of the circulars / guidelines issued by SEBI from time to time.

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- (c) Immediately following the completion of the OFS process, the GoI intends to sell to the Strategic Partner i.e. *Acquirer*, a portion of or the entire balance shareholding held by GoI in the *Target Company*, as is mutually agreed, and the Strategic Partner will acquire the same (for convenience "*Share Sale*").
- (d) The GoI intends to undertake the *Share Sale* at a price which is discovered under the OFS process subject to the OFS Circulars / guidelines (for convenience "*OFS Price*"). Therefore, the *Acquirer* will not be aware of the price per equity share of the *Target Company* for the *Share Sale* until the conclusion of the OFS process and such price may not be within the limit provided in proviso (i) to regulation 10(1)(a) of the *Takeover Regulations 2011*.
- (e) Apart from the *Share Sale* constituting 10.00% of the share capital, the *Acquirer* would also purchase the unsubscribed portion of equity shares of the *Target Company* in the OFS process. Hence, there would be a situation where the acquisition would exceed the threshold provided under regulation 3(2) of the *Takeover Regulations 2011*, thereby triggering an obligation for making an open offer under the *Takeover Regulations 2011*.
- (f) However, since the *Acquirer* and the GoI are both persons named as promoters of the *Target Company* in the shareholding pattern filed by the *Target Company* for more than three years prior to the date hereof, hence, the *Acquirer* would be exempt from making an open offer under regulation 10(1)(a)(ii) of the *Takeover Regulations 2011*, subject to fulfilment of the conditions prescribed in the proviso to regulation 10(1)(a) of the *Takeover Regulations 2011*. The condition prescribed in proviso (i) to regulation 10(1)(a) of the *Takeover Regulations 2011* (for convenience "*Pricing Condition*") requires that if the shares of the *Target Company* are frequently traded, the acquisition price per share shall not be higher by more than twenty-five percent of the volume-weighted average market price for a period of sixty trading days preceding the date of issuance of notice under regulation 10(5) of the *Takeover Regulations 2011*, as traded on the stock exchange

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where the maximum volume of trading in the shares of the target company are recorded during such period.

- (g) In the present case, since the *Share Sale* is intended to be undertaken at the *OFS Price* which will be determined as part of the *OFS* process, the *Acquirer* and the *GoI* cannot determine the price at which the *Share Sale* will occur so as to meet the above requirement of proviso (i) to regulation 10(1)(a) of the *Takeover Regulations 2011* for inter-se share transfers between the promoters of the *Target Company*.
- (h) Accordingly, the exemption application has been made by the *Acquirer* along with its PACs under regulation 11 (1) of the *Takeover Regulations 2011* from the requirement to meet the *Pricing Condition* with respect to *Share Sale*, which would otherwise be exempt from making an open offer under Regulation 10(1)(a)(ii) of the *Takeover Regulations 2011* read with regulation 3(2) of the *Takeover Regulations 2011*.
- (i) Pursuant to the proposed direct acquisition of shares by the *Acquirer* from the *GoI*, there will be no change in either the total equity share capital or the total share capital of the *Target Company*.

#### Grounds for seeking exemption

- 6. The *Acquirer* has sought exemption vide its *Application* on the following grounds:
  - (a) In terms of the Shareholders' Agreement dated February 13, 2002 (for convenience "*SHA*"), the *GoI* intended to exit the *Target Company* as early as 2007. However, since there was certain surplus land in the *Target Company*, which was to be transferred to a new entity, *GoI* continued to hold its shareholding in the *Target Company*. The surplus land of the *Target Company* has now been demerged to a new entity as per the terms of the *SHA* and the *GoI* has decided to completely exit from the *Target Company*.

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- (b) The *GoI* intends to divest of its shareholding in the *Target Company* partly through the *OFS* process, which is a route now available for divestment by promoters of a company. In terms of the *SHA*, the *Acquirer* has a right of first refusal on any sale of shares by the *GoI*. Accordingly, the *Share Sale* is being made as a part of such divestment and is intended to be undertaken at the price discovered through the *OFS* process.
- (c) If the *OFS Price* does not meet the *Pricing Condition*, the *Share Sale* will not qualify for the exemption for inter-se transfer of shares between promoters of a *Target Company* under regulation 10(1)(a)(ii) of the *Takeover Regulations 2011*.
- (d) Further, pursuant to the proposed transaction, there will be no change in the total equity share capital of the *Target Company*.

#### Consideration

7. I have considered the *Application* submitted by the *Acquirer* and other material available on record. Without reiterating the facts as stated above, the following is noted:

- (a) The proposed acquisition is based on recommendations of the Department of Investment and Public Asset Management in terms of the letter dated January 12, 2021, by which the *GoI* proposes to divest its equity shareholding of 26.12% in the *Target Company*.
- (b) The *GoI* intends to divest of its shareholding in the *Target Company* partly through the *OFS* process, which is a route now available for divestment by promoters of a company and partly through sale to a strategic partner (*Acquirer*.) The *Share Sale* to the strategic partner (*Acquirer*) is intended to be undertaken at the *OFS Price* which will be determined as the part of the *OFS* process.
- (c) Such increase in shareholding of the *Acquirer* and PAC from the current holdings of 48.87% to 58.87% in the *Target Company* would trigger an open offer obligation under regulation 3(2) of *Takeover Regulations 2011*. However, it

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is noted that both the *Acquirer* and *Gol* are part of the promoter group of the *Target Company* for more than three years in the past thereby, the proposed transaction is eligible for general exemption under regulation 10(1)(a)(ii) of *Takeover Regulations 2011*. However, it is noted that the proviso of the regulation 10(1)(a) of *Takeover Regulations 2011* states that the price should be within the prescribed threshold.

- (d) The *Acquirer* and the *Gol* currently cannot determine whether the price arrived at in the *OFS* process will be in accordance with the proviso of regulation 10(1)(a) of *Takeover Regulations 2011*. In the view of the above, if the price discovered in the *OFS* falls under the prescribed range, the transaction will be eligible for automatic exemption. However, in the event that the discovered price is not within the prescribed range, the transaction will not be eligible for automatic exemption. In the view of the same, exemption application under regulation 11 of *Takeover Regulations 2011* has been filed.
- (e) In this respect, it is further noted that there is no change in either the capital the total equity share capital or the total share capital of the *Target Company*.

Particulars	Shareholding before the proposed transaction		Proposed Transaction		Shareholding after the proposed transaction	
	Number of Shares	% Holding	Number of Shares	% Holding	Number of Shares	% Holding
Promoters and Promoter Group other than Acquirer						
President of India	74446885	26.12	74446885	-26.12	0	0
The Tata Power Company Limited	0	0	0	0	0	0

Acquirer and PACs						
Pantone Finvest Limited	99172854	34.8	28500000	10	127672854	44.8
Tata Sons Private Limited	40087639	14.07	0	0	40087639	14.07
Public						
Public	71292622	25.01	45946885	16.12	117239507	41.14
Total	285000000	100	0	0	285000000	100

**Order**

8. In view of the above, I, in exercise of the powers conferred upon me under Section 19 read with Section 11(1) and Section 11(2)(h) of the SEBI Act, 1992 and regulation 11(5) of the *Takeover Regulations 2011*, hereby grant exemption to the Proposed Acquirer, Pantone Finvest Limited, from complying with the requirements of regulation 3(2) read with regulation 10(1)(a)(ii) of the *Takeover Regulations 2011* with respect to the proposed direct acquisitions in the Target Company, viz. **Tata Communications Limited**, by way of proposed transactions as mentioned in the *Application*.

9. The exemption so granted is subject to the following conditions:

- (a) The proposed acquisitions shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
- (b) On completion of the proposed acquisitions, the Proposed Acquirer shall file a report with SEBI within a period of 21 days from the date of such acquisition, as provided in the *Takeover Regulations 2011*.
- (c) The statements / averments made or facts and figures mentioned in the *Application* and other submissions by the Proposed Acquirer are true and correct.

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10. The exemption granted above is limited to the requirements of making an open offer and *Pricing Condition* under the *Takeover Regulations 2011* and shall not be construed as exemption from the disclosure requirements under Chapter V of the aforesaid Regulations; compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.

11. The *Application* dated January February 05, 2021 read with other submissions, filed by *Acquirer*, are accordingly disposed of.

**Place: Mumbai**

**Date: February 23, 2021**



*S.K. Mohanty*  
S.K. Mohanty

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA