



SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SUB-SECTION (1) OF SECTION 11 AND CLAUSE (h) OF SUB-SECTION (2) OF SECTION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH SUB-REGULATION (5) OF REGULATION 11 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	PROPOSED ACQUIRER
TELECANOR GLOBAL LIMITED	VIJAY LAKSHMI PRATURI

BACKGROUND

1. Telecanor Global Limited (hereinafter referred to as “**Target Company**”) is a company incorporated under the Companies Act, 1956, having its registered office at CS-1, 6-3-626, Parameshwar Anand Nagar, Khairabad, Hyderabad, Telagana – 50004. The equity shares of the Target Company are listed on the BSE Limited (hereinafter referred to as “**BSE**”).
2. An Application dated April 01, 2025, along with further submissions made vide letters and emails dated July 02, 2025, August 05, 2025 and August 26, 2025 (hereinafter together referred to as “**Application**”) seeking exemption from the applicability of sub-regulations (1) and (2) of regulation 3 and regulation 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as “**Takeover Regulations**”) was received by the



Securities and Exchange Board of India (hereinafter referred to as “SEBI”) from Ms. Vijay Lakshmi Praturi (hereinafter referred to as “**Proposed Acquirer**”).

DETAILS OF THE PROPOSED TRANSACTION

3. The Proposed Acquirer, vide its application, submitted the following:

- I. The issued, subscribed and paid-up equity share capital of the Target Company is INR 11,05,79,140/- divided into 1,10,57,914 equity shares having a face value of INR 10/- each. In addition, the Target Company has 3,33,000 partly paid-up equity shares. On a fully diluted basis, the equity shares of the Target Company aggregates to 1,13,90,914 equity shares. The shareholding pattern of the Target Company as appearing on BSE Website as on June 30, 2025 is as under:

Shareholding in the Target Company			
Sr. No.	Name	No. of shares	% shareholding
A. Promoters and Promoter Group			
1	Marutiram Praturi	11,02,348	9.68
2	Vijay Lakshmi Praturi (Acquirer)	15,16,366	13.31
Total Promoter Shareholding		26,18,714	22.99
B. Public shareholding			
	Public	87,72,200	77.01
Total Shareholding (A+B)		1,13,90,914	100

- II. The Proposed Acquirer is one of the promoters of the Target Company and holds 13.31% shares in the Target Company. The total promoter shareholding, including the shareholding of Proposed Acquirer, is 22.99% in the Target Company.



- III. The Target Company proposes to allot 30,00,000 equity shares and 40,00,000 convertible share warrants on preferential basis to the Proposed Acquirer. The shareholding pattern of the Target Company before and after the proposed acquisition (as mentioned in the aforesaid application) is as under:

Shareholders' category	Before the proposed acquisition		After the proposed acquisition	
	No. of shares held	% of share holding	No. of shares held	% of share holding
A. Promoter's Holding				
Ms. Vijay Laxmi Praturi (Proposed Acquirer)	15,16,366	13.31	85,16,366	42.39
Mr. Maruti Ram Praturi (Other Promoter)	11,02,348	9.68	11,02,348	5.49
Total (A)	26,18,714	22.99	96,18,714	47.88
B. Non-Promoter's Holding				
Mutual Funds	16,100	0.14	16,100	0.08
Private Corporate Bodies	88,790	0.78	88,790	0.44
Resident Individuals	81,95,158	71.94	98,95,158	49.25
NRI	1,86,001	1.63	1,86,001	0.93
Others	2,86,151	2.51	2,86,151	1.42
Total (B)	87,72,200	77.01	1,04,72,200	52.12
Grand Total (A+B)	1,13,90,914	100.00	2,00,90,914	100.00



- IV. The proposed acquisition of equity shares by way of preferential allotment would increase the shareholding of the Proposed Acquirer in the Target Company from 13.31% to 31.38%. The aforesaid acquisition of shares and voting rights by the Proposed Acquirer in the Target Company would attract applicability of the provision of sub-regulation (1) of regulation 3 read with regulation 4 of the Takeover Regulations.
- V. Further, when the share warrants are converted to equity shares, the Proposed Acquirer's shareholding in the Target Company will increase from 31.38% to 42.39% considering that outstanding warrants allotted to person other than Proposed Acquirer have also been converted. The aforesaid acquisition of shares and voting rights by the Proposed Acquirer in the Target Company would attract applicability of the provision of sub-regulation (2) of regulation 3 read with regulation 4 of the Takeover Regulations.
- VI. However, the Proposed Acquirer, vide further written submission dated July 02, 2025, has submitted the following:
 - a. The Acquirer does not intend to convert the share warrants into shares immediately and therefore, there will be no increase in her shareholding (and that of the promoter group) at present on account of the acquisition of the said share warrants.
 - b. One of the non-promoter shareholder, who had agreed to subscribe to 17,00,000 shares/convertible warrants has expressed his inability to submit relevant information for subscription and allotment.

GROUND FOR SEEKING EXEMPTION

- 4. Vide the Application, the Proposed Acquirer has, *inter alia*, stated the following grounds for seeking exemption from the applicability of Takeover Regulations, namely:



- I. Acquirer and her husband, Mr. Maruti Ram Praturi, are the only promoters of the Target Company and together hold 22.99% shares of the Target Company. The proposed acquisition would not result in change in control and management of the Target Company since the Proposed Acquirer and her husband, will together hold 47.88% of shares of the Target Company pursuant to the proposed transaction.
- II. The Target Company had some borrowings from Dhanlaxmi Bank and that the loan became a non-performing asset (hereinafter referred to as the “**NPA**”) in the year 2011. Dhanlaxmi Bank had tried to recover the amount from the Target Company and approached Debt Recovery Tribunal (hereinafter referred to as the “**DRT**”). The DRT ruled in favour of Dhanlaxmi Bank but it could not recover any amount from the Target Company. Therefore, Dhanlaxmi Bank sold Target Company’s NPA account to Phoenix Asset Reconstruction Company Private Limited (hereinafter referred to as the “**PARCPL**”) vide assignment agreement dated March 8, 2014. PARCPL tried several ways but it could not recover any amount from the Target Company and thereafter PARCPL entered into a One Time Settlement (hereinafter referred to as the “**OTS**”) dated March 04, 2025 with the Target Company. If the Target Company fails to meet its obligations, PARCPL may move the National Company Law Tribunal (hereinafter referred to as the “**NCLT**”) and the debtor will have a very advantageous position which will be detrimental to shareholder interest.
- III. The proposed acquisition is intended to infuse funds into the Target Company for it to comply with the terms of OTS with PARCPL under which an amount of INR 2,25,00,000 is to be paid by the Target Company within specified time period. The exemption is sought to ensure a smooth capital infusion without triggering an open offer since additional cost required to



make the open offer could be counterproductive due to the distressed state of the Target Company, which has been consistently loss-making. From the funds provided by the Proposed Acquirer, the Target Company would be able to revive its operations and ensure investor protection and promote shareholder interests.

- IV. The proposed acquisition of equity shares by Proposed Acquirer through preferential issue by the Target Company is intended to facilitate infusion of funds necessary for the revival of the Target Company. The infusion of capital will enable the Target Company to meet working capital requirements, repay outstanding liabilities, and stabilize operations. The objects of the preferential issue are:
- a) Repayment of loan amounts due to Phoenix ARC Private Limited under the scheme for One Time Settlement (OTS);
 - b) Towards working capital requirements; and
 - c) For other general corporate purposes.
- V. The Proposed Acquirer is constrained to infuse funds into the Target Company from her own funds because a non-promoter shareholder, to whom the Target Company had agreed to allot 17,00,000 convertible warrants expressed his inability to submit relevant information for subscription and allotment. The applicant is infusing funds from her own savings and she will not be able to afford the additional costs of around INR 2 Crores for making a public announcement and open offer. Thus, if exemption is not granted, the applicant may be able to infuse only around INR 2 Crores into the Target Company, which will be insufficient to settle the debts of PARCPL.
- VI. Without the infusion of funds and repayment of debt through OTS, the Target Company will not only suffer an erosion of its net worth and value, it will also



not be able to carry on or expand its business; this will adversely affect the share prices and thereby the interests of public shareholders. The Target Company may cease to be a going concern without the infusion of funds and settlement of the debt and no prudent Proposed Acquirer would invest in a company with no potential. If the Target Company goes into insolvency, it will not be beneficial to its shareholders. Thus, the rationale behind the applicant infusing the funds in the Target Company is to revive the company by settling its debt and then investing in its expansion plans.

VII. The proposed acquisition would not have any adverse impact on the Target Company or the wider securities market in India and is not expected to cause any appreciable adverse effect on the price of the shares of the Target Company, whereas the Proposed Acquirer would be greatly burdened if it was required to make an open offer.

VIII. SEBI has granted exemption to acquirers from making a public announcement and open offer in similar instance in the past when there was no change in control and management.

CONSIDERATION

5. I have considered the Application submitted by the Proposed Acquirer and other material available on record. Before I proceed further, it would be appropriate to quote the relevant regulatory provision(s) of the Takeover Regulations for ease of reference:

“Substantial acquisition of shares or voting rights.

3 (1). No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open



offer for acquiring shares of such target company in accordance with these regulations.

(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:

....

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Acquisition of control.

4. Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.”

6. Without reiterating the facts as stated above, I note the following:

- I. The Application submitted is in respect of the proposed acquisition of shares and voting rights in the Target Company, i.e. **Telecanor Global Limited**. The proposed acquisition of equity shares by way of preferential allotment as detailed above, would increase the shareholding of the Proposed Acquirer in the Target Company from 13.31% to 31.38%. Further, upon conversion of the warrants to equity shares, the shareholding of the Proposed Acquirer in the Target Company will increase to 42.39%. The proposed acquisition of



equity shares will attract the obligation to make open offer under the provisions of sub-regulations (1) and (2) of regulation 3 read with regulation 4 of the Takeover Regulations.

- II. The Proposed Acquirer, who is a promoter, seeks to infuse funds into the Target Company from her own funds and is unable to afford the additional costs of around INR 2 Crores for making a public announcement and open offer.
 - III. The Target Company has failed to pay its lenders in the past and has entered into an OTS with PARCPL to settle its debt obligations under which an amount of INR 2,25,00,000 is to be paid by the Target Company. The proposed acquisition is intended to infuse funds into the Target Company for it to comply with the terms of OTS and if the exemption is not granted, the Proposed Acquirer may be able to infuse only around INR 2 Crores into the Target Company, which will be insufficient to settle the debts of PARCPL and comply with OTS.
7. In support of its exemption application, the Proposed Acquirer has cited some orders wherein SEBI has granted exemption under the Takeover Regulation. I have examined the exemption orders produced by the Proposed Acquirer, details of which are as under:
- I. Vide order dated September 13, 2024, in the matter of **Spicejet Limited**, SEBI granted exemption to an acquirer to convert warrants into equity shares entitling it to 13.74% equity shares of company. However, the acquirer restricted its additional voting rights to 5% in a financial year, so that it did not trigger open offer under Takeover Regulations. This case is not applicable to the facts and circumstances of the instant Application since the acquirer in the said case restricted its additional voting rights to 5% in a financial year which is not the case in instant application.



- II. Vide order dated August 20, 2019, in the matter of **Patel Engineering Limited**, SEBI granted exemption to acquirers from making a mandatory open offer pursuant to proposed acquisition of shares aimed at conversion of company's debt into equity through Rights Issue. In this case, the increase in promoter stake was deemed involuntary and not intended to increase control since rights issue was not pursuant to a decision by the promoter/promoter group of the company, but rather pursuant to debt restructuring plan (S4A scheme) by RBI. This case is not applicable to the facts and circumstances of the instant Application since the acquisition in the said case was by way of rights issue and not by way of preferential allotment as is the case here. Further, in the said case the proposed transaction was deemed involuntary in view of the plan approved by another regulatory authority.
- III. Vide order dated September 6, 2013, in the matter of **SPEL Semiconductor Limited**, SEBI granted exemption to an acquirer from making open offer pursuant to acquisition of 18.01% shares in target company as part of a scheme of arrangement approved by Hon'ble High Court (subject to approval of public shareholders). This case is not applicable to the facts and circumstances of the instant Application since there is no such scheme of arrangement pursuant to which preferential allotment is proposed to be undertaken by the Proposed Acquirer.
- IV. Vide order dated May 23, 2014, in the matter of **Sibar Autoparts Limited**, SEBI granted exemption to an acquirer from obligation to make an open offer triggered due to issuance of equity shares to the promoters of the target company upon conversion of unsecured loans given by them to the target company. This case is not applicable to the facts and circumstances of the instant Application since the proposed transaction does not involve conversion of loan to equity.



- V. Vide order dated May 9, 2024, in the matter of **Consolidated Construction Consortium Limited** SEBI granted exemption to an acquirer from obligation to make an open offer which was triggered due to the settlement plan framed after the target company underwent Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016. This case is not applicable to the facts and circumstances of the instant Application since the proposed transaction is not pursuant to Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016.
- VI. Vide order dated April 21, 2023, in the matter of **Bhandari Hosiery Exports Limited**, SEBI granted exemption to an acquirer from obligation to make open offer pursuant to acquisition of shares in the target company by rights issue wherein there was a possibility that the proposed rights issue may not be subscribed to by any or all the non-promoter shareholders. In such case, the proposed acquisition of the unsubscribed portion by the Proposed Acquirers would result in the shareholding of the promoters to exceed 25% which would trigger the requirement of making open offer. This case is not applicable to the facts and circumstances of the instant Application since the proposed transaction is by way of preferential allotment and not by way of rights issue. Rights issue gives all the existing shareholders an equal opportunity to increase their stake proportionally whereas a preferential issue is targeted at selected investors, which can dilute the stake of existing shareholders.
8. I note that the cases cited by the Proposed Acquirer are distinguishable from the instant matter. In the matter of Spicejet Limited, upon conversion of warrants into equity shares acquirer restricted its additional voting rights to 5% in a financial year. In the matter of Patel Engineering Limited, the acquisition was pursuant to debt restructuring plan approved by another regulatory authority. In the matter of SPEL Semiconductor Limited, acquisition was part of a scheme of arrangement



approved by Hon'ble High Court. In the matter of Sibar Autoparts Limited, the acquisition was in furtherance of conversion of loan into equity. In the matter of Consolidated Construction Consortium Limited, the proposed transaction was pursuant to approval of settlement plan framed as part of Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016. In the matter of Bhandari Hosiery Exports Limited, SEBI granted exemption to an acquirer from obligation to make open offer pursuant to acquisition of shares in the target company by rights issue wherein there was a possibility that the proposed rights issue may not be subscribed to by any or all the non-promoter shareholders. None of the aforesaid conditions are applicable in the instant matter since the proposed transaction is not in furtherance of any act or approval of another regulatory authority or Hon'ble court. In the instant matter, the Proposed Acquirer intends to acquire shares through preferential allotment while other methods of capital infusion such as by way of rights issue or by way of loan agreements remain available to company which may be favorable to the public shareholders. If the proposed transaction is consummated, the shareholding of the Proposed Acquirer will increase from 13.31% to 31.38% which would allow negative control to the Proposed Acquirer. The Proposed Acquirer has the option to take recourse to other methods for infusing funds into the Target Company without impinging on the rights of the other shareholders such as by way of extending loan or by way of rights issue. However, that is not the case in the instant application.

9. The Proposed Acquirer was granted an opportunity of hearing and her husband, Mr. Marutiram Praturi, in his capacity as authorized representative of the Proposed Acquirer (hereinafter referred to as "**Authorized Representative**"), attended the hearing through video-conference before me on September 23, 2025 at 2:30PM. The Authorized Representative reiterated submissions made in the applications and other communications made in this matter. During the hearing, the Authorized Representative was apprised that other fund-raising methods such as rights issue would have been more equitable to raise funds since it would allow



all the shareholders an equal opportunity to infuse funds and increase their shareholding proportionately. However, the Authorized Representative pleaded that he was not aware of the difference between preferential issue and rights issue. Accordingly, he was apprised of the difference between preferential issue and rights issue. I note that ignorance of law is not a valid excuse, especially given the fact that the Authorized Representative has vehemently relied on the exemption orders passed by SEBI in the matter of Bhandari Hosiery Exports Limited, wherein the proposed acquisition was by way of rights issue.

10. I note that a company is free to choose an appropriate mode of raising funds since it is a commercial decision and SEBI can not ask the company to raise funds through a particular mode as long as the said fund raising is within four corners of law. However, this is a case where the Proposed Acquirer wants to infuse funds through preferential allotment and is seeking exemption from making open offer. This exemption if granted, would affect the rights of public shareholders. Hence, it is the duty of the authority while deciding the exemption application to see if the object of fund raising can be met without compromising the rights of the public shareholders. It is in this context, the Applicant was informed about the possibility of Rights Issue which would meet the object of fund raising and would also not affect the rights of public shareholders.
11. In view of the above, I note that even now, the Target Company may consider other modes for raising funds, including by way of rights issue, which will protect rights of all shareholders and the rationale behind Takeover Regulations would also not be defeated.
12. I further note that various Hon'ble courts have also held that the purpose of the Takeover Regulations is to provide an exit opportunity to protect minority shareholders' interests. In the matter of **Nirma Industries vs. SEBI [(2013) 8 SCC 20]** the Hon'ble Supreme Court held as follows:



“71. We are inclined to agree with the submission made by Mr. Venugopal that the appellants cannot be permitted to wriggle out of the obligation of a public offer under the Takeover Regulation. Permitting them to do so would deprive the ordinary shareholders of their valuable right to have an exit option under the aforesaid regulations.”

13. Thus, the Hon'ble courts have emphasized upon the sanctity of right of public shareholder to have an exit option in terms of the Takeover Regulations. In the instant matter, if the Proposed Acquirer, who is also the promoter of the Target Company, was to be provided exemption from making open offer on the grounds of bad financial health of the Target Company or for ensuring timely settlement of debt obligations of the Target Company, it would defeat the purpose of mandating open offer under the Takeover Regulations and the Proposed Acquirer, who may be responsible for the bad financial health of a company may misuse the provision to increase shareholding beyond the regulatory thresholds without giving public shareholders an exit option.
14. In this context, I also note that sub-regulation (2B) of regulation 10 of the Takeover Regulations, which provides a specific exemption from the mandatory open offer requirement for acquisitions made through a preferential issue in case of financially distressed companies, also disqualifies promoters and promoter groups, from seeking exemption under regulation 10 of the Takeover Regulations.
15. Considering the above, I am of the view that exemption as sought for in the Application (read with further submissions) may not be granted to the Proposed Acquirer.

ORDER

16. I, in exercise of powers conferred upon me under section 19 read with sub-section



(1) of section 11 and clause (h) of sub-section (2) of section 11 of the SEBI Act, 1992 and sub-regulation (5) of regulation 11 of the SAST Regulations, 2011, hereby reject the request for exemption sought by the applicant from complying with the requirements of Regulations 3 and 4 of the Takeover Regulations with respect to the acquisition of shares in the Target Company as mentioned in the Application.

PLACE: MUMBAI

DATE: OCTOBER 03, 2025

KAMLESH CHANDRA VARSHNEY

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA