



The brand behind brands

## Dixon Technologies (India) Limited

8<sup>th</sup> April, 2024

To Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	To Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 051
<b>Scrip Code – 540699</b> <b>ISIN: INE935N01020</b>	<b>Scrip Code - DIXON</b> <b>ISIN: INE935N01020</b>

Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of the SEBI (LODR) Regulations, 2015**  
**Ref: Disclosure of proposed acquisition of majority stake in Ismartu India Private Limited through execution of a Share Purchase Agreement and Shareholders' Agreement**

With reference to the captioned subject, this is to inform that Dixon Technologies (India) Limited ("**Company**") has entered into following agreements today, i.e., 8<sup>th</sup> April, 2024:

**1. Proposed acquisition of majority stake in Ismartu India Private Limited**

A share purchase agreement ("**Share Purchase Agreement**") with Ismartu In Pte. Limited, Transsion Technology Limited, 5A Advisors LLP, and Ismartu India Private Limited to acquire:

(i) 1,38,73,846 equity shares of face value of INR 10 each of Ismartu India Private Limited ("**Target Company**") constituting 50.10% of the total issued, subscribed and paid-up share capital of Target Company on a fully diluted basis, out of which (a) 1,34,75,168 equity shares will be acquired from Ismartu In Pte Limited ("**Ismartu Singapore**"), (b) 51,832 equity shares will be acquired from Transsion Technology Limited, and (c) 3,46,846 equity shares will be acquired from 5A Advisors LLP ("**5A Advisors**") ("**Tranche 1 Shares**"); and

(ii) a minimum of 4,43,077 equity shares of face value of INR 10 each of the Target Company, constituting 1.60% of the total issued, subscribed, and paid-up share capital of the Target Company on a fully diluted basis, and at the option of the Company, a maximum of up to 16,33,846 equity shares of face value of INR 10 each of the Target Company, constituting an aggregate of up to 5.90% of the total issued, subscribed, and paid-up share capital of the Target Company, from Ismartu Singapore, subject to the Target Company achieving a profit after tax (PAT) of INR 200 Crores in the financial year 2025-26 ("**Tranche 2 Shares**");

for consideration as detailed in **Annexure-A** attached hereto. Further, acquisition of Tranche 1 Shares and Tranche 2 Shares by the Company shall be subject to satisfactory completion of conditions precedent as set out in the Share Purchase Agreement and is subject to approval of the Competition Commission of India.

The details, as required under SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are enclosed in **Annexure- A** to this letter.

**2. Execution of shareholders' agreement with shareholders of Ismartu India:**

A shareholders' agreement with Ismartu Singapore, 5A Advisors, and the Target Company ("**Shareholders' Agreement**") for governing inter-se relationship of the Company, Ismartu Singapore and 5A Advisors in respect of operation and management of the Target Company. The Shareholders' Agreement will be effective from the date of consummation of sale of Tranche 1 Shares to the Company (as contemplated in the Share Purchase Agreement).

The details, as required under SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are enclosed in **Annexure- B** to this letter.

We request you to kindly take this on your record and oblige.

Thanking you

**For Dixon Technologies (India) Limited**

**Ashish Kumar**  
**Chief Legal Counsel & Group CS**

**Encl: As above**

**ANNEXURE-A**

*Disclosure pursuant to Regulation 30 of the SEBI LODR Regulations relating to execution of Share Purchase Agreement amongst Dixon Technologies (India) Limited, Ismartu In Pte. Limited, Transsion Technology Limited, 5A Advisors LLP and Ismartu India Private Limited, in relation to purchase of shares of Ismartu India Private Limited*

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
a.	<b>Name of the target entity, details in brief such as size, turnover etc.;</b>	<p>Ismartu India Private Limited (“<b>Target Company</b>”) is a private limited company incorporated under the Companies Act, 2013 with its registered office at B-302, Third Floor, Tower B, Advant IT Park, Plot No. 7, Sector 142, Noida, Uttar Pradesh (India) - 201301.</p> <p>The Target Company has authorized share capital of INR 30,00,00,000 and paid-up share capital of INR 27,69,23,080.</p> <p>Turnover- INR 6,235 Crores as on 31<sup>st</sup> March, 2023. Net Worth - INR 336 Crores as on 31<sup>st</sup> March, 2023.</p>
b.	<b>Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;</b>	No, the acquisition would not fall within the related party transaction(s) and the promoter/ promoter group/ group companies have no interest in the Target Company being acquired.
c.	<b>Industry to which the entity being acquired belongs;</b>	Electronics and Mobile Devices Manufacturing
d.	<b>Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);</b>	The acquisition is in line with the strategy of Dixon Technologies to grow in this business segment and to achieve strategic goals and expansion of business.
e.	<b>Brief details of any governmental or regulatory approvals required for the acquisition;</b>	Except for approval from the Competition Commission of India, no other governmental / regulatory approvals are required.
f.	<b>Indicative time period for completion of the acquisition;</b>	<p>Subject to fulfilment of conditions precedent for acquisition of Tranche 1 Shares, Tranche 1 Shares are proposed to be acquired within 90 days from the date of execution of the Share Purchase Agreement.</p> <p>Subject to fulfilment of conditions precedent for acquisition of Tranche 2 Shares, Tranche 2 Shares will be acquired by the Company in financial year 2026-27.</p>
g.	<b>Consideration - whether cash consideration or share swap or any other form and details of the same;</b>	Cash

h.	<b>Cost of acquisition and/or the price at which the shares are acquired;</b>	<p>Tranche 1 Shares will be acquired by the Company for an aggregate initial consideration amount of INR 238.36 Crores, subject to pre-closing and post post-closing adjustments in accordance with the terms of the Share Purchase Agreement.</p> <p>Tranche 2 Shares will be acquired by the Company in FY 2026-27 for an aggregate consideration which shall be determined basis a valuation of 20 times of profit after tax (as agreed in Share Purchase Agreement) of the Target Company for FY 2025-26, subject to the terms of the Share Purchase Agreement.</p>
i.	<b>Percentage of shareholding / control acquired and / or number of shares acquired;</b>	<p>Upon successful acquisition of Tranche 1 Shares, the Company will hold 50.10% of the shareholding of the Target Company on a fully diluted basis.</p> <p>Subject to fulfilment of closing conditions, upon successful acquisition of Tranche 2 Shares, the Company will, in addition to the aforementioned 50.10% stake, hold an additional stake between 1.60% to 5.90% in the Target Company on a fully diluted basis.</p>
j.	<b>Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);</b>	<p><b>Brief Background:</b> Target Company is a private limited company incorporated on 30<sup>th</sup> August, 2016 under the provisions of the Companies Act, 2013 with its registered office at B-302, Third Floor, Tower B, Advant IT Park, Plot No. 7, Sector 142, Noida, Uttar Pradesh (India) – 201301. Target Company is engaged in the business of manufacturing and assembly, sale, distribution, import and export of mobile phones, tablets, electronic devices, and other components of mobile and/or electronic devices.</p> <p><b>Details of Turnover of last 3 years of Target Company:</b>  Turnover for the period ended 31<sup>st</sup> March, 2023- INR 6,235 Crores  Turnover for the period ended 31<sup>st</sup> March, 2022- INR 7,149 Crores  Turnover for the period ended 31<sup>st</sup> March, 2021- INR 4,731 Crores</p> <p><b>Country in which the Target entity has presence-</b> India</p>

**ANNEXURE-B**

*Disclosure pursuant to Regulation 30 of the SEBI LODR Regulations relating to execution of Shareholders' Agreement amongst Dixon Technologies (India) Limited, Ismartu In Pte. Limited, 5A Advisors LLP and Ismartu India Private Limited*

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
<b>a.</b>	<b>Agreement/ Joint venture (JV) with companies</b>	
i.	<b>Name of the entity(ies) with whom agreement/ JV is signed</b>	1. Dixon Technologies (India) Limited (" <b>Company</b> "); 2. Ismartu In Pte. Limited; 3. 5A Advisors LLP; and 4. Ismartu India Private Limited (" <b>Target Company</b> "); (collectively, the " <b>Parties</b> ")
ii.	<b>Area of agreement/JV;</b>	Manufacturing and assembly, sale, distribution, import, and export of mobile phones, tablets, electronic devices, and other components of mobile and/or electronic devices.
iii.	<b>Domestic/international;</b>	Domestic
iv.	<b>Share exchange ratio / JV ratio;</b>	As specified in paragraph (i) of Annexure A:-  1. Upon successful acquisition of Tranche 1 Shares, the Company will hold 50.10%, Ismartu In Pte. Limited (" <b>Ismartu Singapore</b> ") will hold 48.65%, and 5A Advisors LLP (" <b>5A Advisors</b> ") will hold 1.25% of the total issued and paid up share capital of the Target Company on a fully diluted basis; and 2. Upon successful acquisition of Tranche 2 Shares by the Company, the Company will hold a minimum of 51.70% and, at its option, a maximum of 56%, of the total issued and paid-up share capital of the Target Company. Accordingly, Ismartu Singapore will hold between 42.75% and 47.05%, and 5A Advisors will continue to hold 1.25% of the total issued and paid-up share capital of the Target Company on a fully diluted basis.
v.	<b>Scope of business operation of agreement / JV;</b>	Manufacturing and assembly, sale, distribution, import, and export of mobile phones, tablets, electronic devices, and other components of mobile and/or electronic devices.
vi.	<b>Details of consideration paid / received in agreement / JV;</b>	No consideration has been exchanged between the Parties.
vii.	<b>Significant terms and conditions of agreement / JV in brief;</b>	The Shareholders' Agreement inter alia provides for the following provisions:  <ul style="list-style-type: none"> <li>• The Company having a right to nominate 2 directors on the board of directors of the Target Company, so long as the Company (along with its Affiliates) holds at least 30% of share capital of the Target Company on a fully diluted basis.</li> <li>• Ismartu Singapore having a right to nominate 2 directors on the board of directors of the Target Company, so long as Ismartu Singapore (along with its Affiliates) holds at least 30% of share capital of the Target Company on a fully diluted basis.</li> <li>• Pre-emptive right of shareholders to participate in future funding rounds.</li> </ul>

		<ul style="list-style-type: none"> <li>Affirmative voting rights in favour of the Company and Ismartu Singapore.</li> </ul> <p>In addition, the Shareholders' Agreement includes customary and/or commercially agreed conditions with respect to right of first refusal, tag along rights, other share transfer restrictions, appointment of official(s) / key managerial person(s), representation, warranties, indemnities, non-solicitation, termination, dispute resolution etc.</p>
viii.	<b>Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";</b>	<p>This transaction does not fall within the ambit of related party transactions.</p> <p>None of the promoter/ promoter group/ group company have any interest in the Target Company.</p>
ix.	<b>Size of the entity(ies);</b>	<p>The turnover and net worth of the Target Company are as under:</p> <p>Turnover- INR 6,235 Crores as on 31<sup>st</sup> March, 2023.</p> <p>Net Worth - INR 336 Crores as on 31<sup>st</sup> March, 2023.</p>
x.	<b>Rationale and benefit expected.</b>	<p>The acquisition is in line with the strategy of Dixon Technologies to grow in this business segment and to achieve strategic goals and expansion of business.</p>
<b>b.</b>	<b>In the event that any such arrangement is called off for any reason, the same shall be disclosed along with the reasons for calling off the proposal</b>	<p>Not applicable</p>