



The brand behind brands

## Dixon Technologies (India) Limited

8<sup>th</sup> July, 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,

**Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref.: Disclosure of proposed subscription of minority stake in Aditya Infotech Limited through execution of (a) share subscription and purchase agreement and (b) 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> July, 2024:

**1. Proposed acquisition of minority stake in Aditya Infotech Limited in exchange of transfer of shares of AIL Dixon Technologies Private Limited:**

A share subscription and purchase agreement (“**SSPA**”) with Aditya Infotech Limited (“**AIL**”) and AIL Dixon Technologies Private Limited (“**JV Company**”) to subscribe to 73,05,805 (Seventy Three Lakhs Five Thousand Eight Hundred Five only) equity shares of AIL having face value of INR 1 (Indian Rupees One only) each constituting 6.5% (six point five percent) of the post issue equity share capital of AIL on a fully diluted basis (“**Subscription Shares**”) for consideration other than cash, which shall be discharged by the Company by transfer of 95,00,000 (Ninety Five Lakhs only) equity shares of AIL Dixon Technologies Private Limited held by the Company having face value of INR 10 (Indian Rupees Ten only) each constituting 50% (fifty percent) of the share capital of the JV Company, on a fully diluted basis (“**Sale Shares**”), in favour of AIL, as detailed in **Annexure A** attached with this letter. Further, subscription of the Subscription Shares by the Company, issuance and allotment by AIL, and transfer of Sale Shares shall be subject to satisfactory completion of conditions precedent as set out in the SSPA, including receipt of approval of the Competition Commission of India (“**CCI**”).

The details, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing 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 disclosure.

2. **Execution of shareholders' agreement with shareholders of AIL:**

In relation to the proposed acquisition of a minority stake in AIL, the Company has executed a shareholders' agreement today, *i.e.*, 8<sup>th</sup> July, 2024 ("**Shareholders' Agreement**"), with AIL and its existing shareholders for governing their *inter-se* relationship in respect of the management of AIL, post the acquisition of minority stake in AIL by the Company. The Shareholder's Agreement shall become effective upon consummation of the subscription of Subscription Shares by the Company, as set out in the SSPA.

The details, as required under SEBI Listing 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 disclosure.

We request you to kindly take this on record.

Thanking You,

**For DIXON TECHNOLOGIES (INDIA) LIMITED**

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**Ashish Kumar**  
**Chief Legal Counsel & Group Company Secretary**

## ANNEXURE-A

**Disclosure pursuant to Regulation 30 of the SEBI Listing Regulations relating to execution of Share Subscription and Purchase Agreement among the Company, Aditya Infotech Limited, and AIL Dixon Technologies Private Limited.**

### Part I

#### **Disclosures in relation to subscription of shares of Aditya Infotech Limited by the Company**

S. No.	Details of Events that need to be provided	Information of such events(s)
a.	<b>Name of the target entity, details in brief such as size, turnover etc.</b>	<p>Aditya Infotech Limited ("<b>Target Company</b>") is a public limited company incorporated under the Companies Act, 1956 with its registered office at F-28, Okhla Industrial Area Phase - 1, New Delhi, India - 110020.</p> <p>The Target Company has authorized share capital of INR 15,00,00,000 and paid-up share capital of INR 10,25,00,000.</p> <p>Turnover for FY 2022-23: INR 2,298.28 Crores</p> <p>Net worth as on March 31, 2023: INR 289.93 Crores</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>	<p>No, the acquisition will not fall within the related party transaction(s) and the promoter/ promoter group/ group companies have no interest in the Target Company.</p>
c.	<b>Industry to which the entity being acquired belongs</b>	<p>The Target Company belongs to the industry of "Wholesale Trading". The Target Company is engaged in the business of sourcing, distributing and marketing security systems under various brand names including 'CP Plus'.</p>
d.	<b>Objects and effects 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 listed entity)</b>	<p>The acquisition of shares in the Target Company is on account of consideration for divestment of stake of the Company in AIL Dixon Technologies Private Limited, a joint venture of the Company with the Target Company ("<b>JV Company</b>"). The Company offers contract manufacturing services to various industries and with a view to focus on businesses which are more scalable (including deepening of the level of manufacturing), the Company has decided to divest its stake in the security surveillance industry.</p> <p>The acquisition of stake in the Target Company as a consideration for its divestment in the JV Company is in furtherance to the investment strategy of the Company, which includes making external financial investments that are focussed on value creation in the medium to long term and release funds to pursue other growth opportunities for Dixon which can generate more value for shareholders.</p>

e.	<b>Brief details of any governmental or regulatory approvals required for the acquisition</b>	Except for approval of the Competition Commission of India, no other governmental or regulatory approvals are required for this transaction.
f.	<b>Indicative time period for completion of the acquisition</b>	Subject to fulfilment of conditions precedent for subscription and allotment, 73,05,805 equity shares of AIL having face value of INR 1 each constituting 6.5% of the post issue equity share capital of AIL on a fully diluted basis (" <b>Subscription Shares</b> ") are proposed to be allotted to the Company within 120 days from the date of execution of the SSPA.
g.	<b>Consideration – whether cash consideration or share swap or any other form and details of the same</b>	In consideration for the issuance and allotment of the Subscription Shares, Dixon Technologies (India) Limited (" <b>Company</b> ") shall transfer to AIL 95,00,000 equity shares of the JV Company held by the Company, having face value of INR 10 each which constitute 50% of the share capital of JV Company on a fully diluted basis (" <b>Sale Shares</b> ").
h.	<b>Cost of acquisition and/or the price at which the shares are acquired</b>	
i.	<b>Percentage of shareholding / control acquired and / or number of shares acquired</b>	Upon successful acquisition of the Subscription Shares, the Company will hold 6.5% of the total paid up equity share capital of the Target Company on a fully diluted basis.
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 public limited company incorporated on March 27, 1995, under the provisions of the Companies Act, 1956 with its registered office at F-28, Okhla Industrial Area Phase - 1, New Delhi, India - 110020. Target Company is engaged in the business of sourcing, distributing and marketing security systems under various brand names, including 'CP Plus'.</p> <p><b>Country in which the Target Company has presence:</b> India</p> <p><b>Details of Turnover of last 3 years of the Target Company</b></p> <p>Turnover for FY 2022-23: INR 2,298.28 Crores  Turnover for FY 2021-22: INR 1,648.38 Crores  Turnover for FY 2020-21: INR 1,178.37 Crores</p>

## Part II

### **Disclosure in relation to divestment of entire shareholding of the Company in AIL Dixon Technologies Private Limited**

S. No.	Details of Events that need to be provided	Information of such events(s)
a.	<b>The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year.</b>	<p>Dixon Technologies (India) Limited ("<b>Company</b>") held 95,00,000 equity shares having face value of INR 10 each in AIL Dixon Technologies Private Limited ("<b>JV Company</b>") which constitute 50% of the total paid up capital of the JV Company on a fully diluted basis.</p> <p>During the financial year 2023-24, amount and percentage of the turnover or revenue or income and net worth contributed by the JV Company is as follows:</p> <ol style="list-style-type: none"> <li>1. Amount of turnover or revenue or income contributed: INR 632.62 Crores</li> <li>2. Percentage of turnover or revenue or income contributed: 3.57%</li> <li>3. Net worth contributed: INR 27.57 Crores</li> <li>4. Percentage of net worth contributed: 1.63 %</li> </ol>
b.	<b>Date on which the agreement for sale has been entered into.</b>	The SSPA has been executed on 8 <sup>th</sup> July, 2024.
c.	<b>The expected date of completion of sale/disposal.</b>	Subject to satisfactory completion of the conditions precedent in the SSPA, the sale is proposed to be completed within 120 days from the date of execution of the SSPA.
d.	<b>Consideration received from such sale/disposal.</b>	The Company proposes to transfer 95,00,000 equity shares of the JV Company having face value of INR 10 each constituting 50% of the post issue equity share capital of the JV Company on a fully diluted basis, as the consideration for subscription of 73,05,805 equity shares of Aditya Infotech Limited (" <b>AIL</b> ") having face value of INR 1 each constituting 6.5% of the post issue equity share capital of AIL.
e.	<b>Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.</b>	<p>Buyer is AIL, which is an unlisted public company incorporated under the Companies Act, 1956 and having its registered office at F-28, Okhla Industrial Area Phase - 1, New Delhi, India – 110020.</p> <p>AIL is engaged in the business of sourcing, distributing and marketing security systems under various brand names including 'CP Plus'.</p> <p>AIL does not belong to promoter/ promoter group/group companies of the Company.</p>
f.	<b>Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?</b>	This transaction does not fall within the ambit of related party transactions.
g.	<b>Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.</b>	Not applicable.

S. No.	Details of Events that need to be provided	Information of such events(s)
h.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	Not applicable.

### ANNEXURE B

***Disclosure pursuant to Regulation 30 of the SEBI Listing Regulations relating to execution of Shareholders' Agreement among the Company, Aditya Infotech Limited and its existing shareholders, in respect of their inter-se rights as shareholders and management of Aditya Infotech Limited.***

S. No.	Details of Events that need to be provided	Information of such events(s)
a.	Name(s) of parties with whom the agreement is entered.	Aditya Infotech Limited ("AIL") and its existing shareholders.
b.	Purpose of entering into the agreement.	The Shareholders' Agreement has been executed for governing the management and <i>inter-se</i> shareholder rights of AIL.
c.	Shareholding, if any, in the entity with whom the agreement is executed.	Pursuant to the subscription of shares by Dixon Technologies (India) Limited (" <b>Company</b> ") under the SSPA (details of which are provided under Annexure-A), the Company will hold 73,05,805 equity shares of AIL having face value of INR 1 each which will constitute 6.5% of the paid-up equity share capital of AIL on a fully diluted basis.
d.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The Shareholders' Agreement <i>inter alia</i> provides for the following provisions: (i) the Company having a right to nominate 1 non-executive director on the board of AIL, and (ii) information rights regarding affairs of AIL.  In addition, the Shareholders' Agreement includes customary and/or commercially agreed conditions with respect to exit rights of the Company, representation, warranties, indemnities, dispute resolution etc.
e.	Whether the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship.	Each of the Company and AIL hold 50% shareholding in AIL Dixon Technologies Private Limited (" <b>JV Company</b> "). Accordingly, the JV Company is a group company of the Company.
f.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?	This transaction does not fall within the ambit of related party transactions.
g.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	73,05,805 equity shares of AIL having face value of INR 1 each constituting 6.5% of the post issue equity share capital of AIL on a fully diluted basis shall be issued to the Company under the SSPA. Details are provided in Part I of <b>Annexure A</b> .
h.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Not applicable.

S. No.	Details of Events that need to be provided	Information of such events(s)
i.	<b>In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):</b> <b>a) name of parties to the agreement;</b> <b>b) nature of the agreement;</b> <b>c) date of execution of the agreement;</b> <b>d) details of amendment and impact thereof or reasons of termination and impact thereof.</b>	Not applicable (being initial disclosure).