



Vindhya Telelinks Ltd.

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PAN No. AAACV7757J
CIN No. L31300MP1983PLC002134

Ref : VTL/SEC/2016-17

12.07.2016

BSE Limited Corporate Relationship Department Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code : 517015	The National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra East Mumbai - 400 051 Scrip Code : VINDHYATEL EQ
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Dear Sirs,

Subject: Intimation under Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We write to inform you that the Board of Directors at its meeting held today, i.e. 12th July, 2016 has considered and approved the proposal for entering into a Share Purchase Agreement with Ericsson Network Technologies, AB (formerly known as Ericsson Cables AB) Sweden ('ENT'), on One Part and the Company and Universal Cables Limited (UCL) on the other part (Indian Venturers), for acquisition of entire 27.50% shareholding of ENT in Birla Ericsson Optical Limited (BEOL), by the Indian Venturers and/or other promoters and promoter group person/entities of BEOL as designated by the Indian Venturers, subject to compliance of certain conditions as contained in the Share Purchase Agreement. Other disclosures as required under the captioned Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished in the prescribed form as per Annexure 1 attached hereto. After such acquisition of shares of ENT in BEOL by the Company and other Promoter's and Promoter group person / entities, Ericsson Network Technologies AB (formerly known as Ericsson Cables AB), Sweden shall cease to be a promoter shareholder/technical collaborator of BEOL.

This is for your information, record and further necessary actions.

Thanking you,

Yours faithfully,
For VINDHYA TELELINKS LIMITED

(ASHOK MISHRA)
Company Secretary

Enclosed: Annexure 1



Works : i) Plot No.1, Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.)
ii) Plot No. 1-C & 1-D, Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.)



- (1) **Name of the Target Entity, details in brief such as size, turnover, etc. :**

Birla Ericsson Optical Limited ("Target Entity") having its registered office at Udyog Vihar, P.O.Chorhata, Rewa-486006 (Madhya Pradesh), India. Gross Revenue from Operations of the Target Entity during the Financial Year ended on 31st March, 2016 was Rs.273.14 Crores with Profit after Tax of Rs.8.48 Crores.

- (2) **Whether the acquisition would fall within the related party transaction(s) and whether the promoters/promoters 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' :**

Birla Ericsson Optical Ltd. was incorporated as a Joint Venture Company in terms of Joint Venture Agreement dated 27th May, 1992 entered into amongst Ericsson Network Technologies, AB (formerly known as Ericsson Cables AB) Sweden ('ENT'), Universal Cables Ltd.('UCL') and Vindhya Telelinks Ltd.('VTL'/ 'Company'). The promoters/promoters group of Target Entity presently holds 66.35% of the subscribed and fully paid-up equity share capital of the said Target Entity. The Company being a part of promoters of the said Target Entity presently holds 40,00,100 equity shares representing 13.33% of the subscribed and paid-up equity share capital of the Target Entity and now proposes to acquire additional 18,00,000 equity shares from ENT by way of inter-se transfer of equity shares amongst the promoters in accordance with Regulation 10(1)(a)(ii) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. After the proposed acquisition, the Company's equity shareholding as a part of Promoters/Promoters Group in the said Target Entity shall stand increased from 13.33% to 19.33%. The transaction for acquisition of equity shares by the Company with ENT when consummated, shall be at arm's length basis in compliance with the provisions of the applicable laws and regulations as in force.

- (3) **Industry in which the entity being acquired belongs :**

The Target Entity is primarily engaged in the business of manufacturing and sales of Telecommunication Cables consisting of both copper and optical fibre and other types of specialty wires and cables.

- (4) **Object and effect of acquisition :**

The overseas promoter of the Target Entity viz. Ericsson Network Technologies, AB (Formerly known as Ericsson Cables AB, Sweden) expressed its intention in writing to Indian venturers of the Target Entity to dissolve the Joint Venture Agreement dated 27th May, 1992 entered into between the Company, Universal Cables Limited and ENT by offering its entire shareholding in Target Entity to the Indian venturers and/ or other promoters of the Target Entity as designated for this purpose by the Indian venturers. The said offer has been accepted by the Company after necessary due diligence and evaluation and accordingly the Company has decided to acquire 18,00,000 equity shares of the Target Entity in addition to 40,00,100 already held by the Company in the Target Entity. After such acquisition, Ericsson Network Technologies, AB shall cease to be promoter/shareholder/technical collaborator of the Target Entity.



(5) Brief details of any governmental or regulation approvals required for the acquisition :

The proposed acquisition of additional 18,00,000 fully paid-up equity shares of Rs.10/- each being Long-term Investment in the Joint Venture by the Company shall be well within limit of Investments, etc. as prescribed under Section 186 of the Companies Act, 2013. No other specific approvals are required for the said acquisition of equity shares which transaction being inter-se transfer of holding amongst promoters is exempt from the obligations of an open offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, disclosures as required pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 shall be made within the time prescribed therefor.

(6) Indicative time period for completion of the acquisition :

The transaction shall be completed/consummated in accordance with the time period to be specified in the Share Purchase Agreement executed between ENT of the one part and UCL and the Company and of the other part. Barring unforeseen circumstances, it is envisaged that the proposed acquisition of additional 18,00,000 equity shares of the Target Entity by way of inter-se transfer amongst promoters shall be completed by 30th September, 2016.

(7) Nature of consideration whether cash consideration or share swap and details of the same.

The equity shares are proposed to be acquired on cash consideration by remitting the consideration amount to ENT in convertible foreign currency.

(8) Cost of consideration or the price at which the shares are acquired.

The cost of consideration for 18,00,000 fully paid-up equity shares of the nominal value of Rs.10/- each shall be approx. Rs.5.04 Crores at the sale price of Rs. 28/- per equity share.

(9) Purchase of shareholding / control acquired and or number of shares acquired.

The Company presently holds 40,00,100 fully paid-up equity shares of Rs.10/- each representing 13.33% of the subscribed and paid-up share capital of Target Entity which upon acquisition of further 18,00,000 equity shares from ENT would stand increased to 58,00,100 fully paid-up equity shares of Rs.10/- each representing 19.33% of the subscribed and paid-up share capital of the Target Entity as a part of Promoters and Promoter's Group holding.

(10) Brief background about the entity acquired in the term of line of business acquired, date of incorporation, history of the last three years turnover, country in which the acquired entity has presence and any other significant information.

Birla Ericsson Optical Ltd.(target entity), a Joint Venture Company, was incorporated on 30th June, 1992 in terms of Joint Venture Agreement dated 27th May, 1992 executed by and amongst ENT, Universal Cables Ltd. and the Company. The target entity was



primarily incorporated for manufacturing and sale of telecommunication cables comprising of both optical fibre cables and copper telecom cables. The Target Entity is today an established and reputed manufacturer and supplier of telecommunication cables in domestic and overseas market places. The Target Entity presently has its state-of-the-art manufacturing facility at Rewa (Madhya Pradesh) and marketing offices at certain metro towns in India. The Target Entity's Gross Revenue from Operations and Profit after Tax during the last three years was as follows:

Particulars	Financial Year (Amount in Rs. Cr.)		
	2015-16	2014-15	2013-14
Gross Revenue from Operations	273.14	289.14	319.45
Profit after Tax	8.48	12.49	19.24

