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Dixon Technologies (India) Limited

5th September, 2023

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
Scrip Code - 540699 ISIN: INE935N01020	Scrip Code - DIXON ISIN: INE935N01020

Dear Sir/Madam

Sub: Intimation with regard to 30th Annual General Meeting, Notice & Annual Report of the Company for the Financial Year 2022-23

In furtherance to our intimation dated 1st September, 2023, we hereby inform that the 30th Annual General Meeting **("AGM")** of the Company is scheduled to be held on **Friday, 29th September, 2023, at 11:00 A.M. (IST).**

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2022-23 along with Notice of 30th AGM, dispatched to the shareholders of the Company on **5th September, 2023.**

Further, we wish to inform you that, pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive)** for taking record of the Members of the Company for the purpose of 30th AGM as per details given below:

Cut-off date for payment of Dividend and E-voting	Book Closure (both days inclusive)		Purpose	Date of remote E-voting
	From	To		
22nd September, 2023 (Friday)	23rd September, 2023 (Saturday)	29th September, 2023 (Friday)	a. For ascertaining shareholders who will be entitled to participate in the AGM through remote e-voting/ voting at the meeting. b. For payment of Final dividend as may be declared at the AGM.	From 09:00 A.M. (IST) on 26th September, 2023 (Tuesday) to 05.00 P.M. (IST) on 28th September, 2023 (Thursday) [both days inclusive].

The aforesaid documents are available on the website of the Company at www.dixoninfo.com .

Kindly take the aforesaid on your record and oblige.

Thanking you,

Yours faithfully,

For **DIXON TECHNOLOGIES (INDIA) LIMITED**

ASHISH KUMAR

Digitally signed by ASHISH KUMAR
DN: c=IN, o=Personal,
pseudonym=jcqsM7KfzvXNA7gOm2DePup8w1nzzwOX,
2.5.4.20=c6b9fb89ba168784e8a2db5bc04891221780cf62995
d2e27aabe5be3c41dd3c3, postalCode=201301, st=Uttar
Pradesh,
serialNumber=014453cec6270c29749dc7ef1e99c0a2d049f09
7770882635da197b6755b7c20, cn=ASHISH KUMAR
Date: 2023.09.05 21:33:52 +05'30'

Ashish Kumar
Chief Legal Counsel & Group Company Secretary

Encl: as above

Copy To:

1. **National Securities Depository Limited (NSDL)**
   Trade Mills, 'A' Wing, 4th Floor,
   Kamala Mills Compound, Lower Parel,
   Mumbai-400013

2. **Central Depository Services (India) Limited (CDSL)**
   Marathon Futurex, 'A' Wing, 25th Floor,
   NM Joshi Marg, Lower Parel (East)
   Mumbai-400013

3. **KFin Technologies Limited**
   Selenium Tower B, Plot No-31 & 32,
   Financial District, Nanakramguda,
   Serilingampally, Hyderabad Rangareddi,
   Telangana -500032

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Date: 25th July, 2023

Dear Member,

We are pleased to invite you to attend the 30th Annual General Meeting of the Members of Dixon Technologies (India) Limited to be held on Friday, 29th September, 2023 at 11.00 A.M. (IST) through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facility.

The Notice of the 30th Annual General Meeting along with the instructions for casting of vote by electronic means and the instructions for attending the Annual General Meeting by VC /OAVM facility has been provided herein.

Please find below key details / information regarding 30th Annual General Meeting for your ready reference and ease of participation.

Sl. No	Particulars	Details
1.	Link for participation through VC/OAVM	https://emeetings.kfintech.com/
2.	Link for remote e-voting	https://evoting.kfintech.com/
3.	Helpline number for VC/OAVM participation and e-voting	Contact KFin Technologies Limited at 18003094001 or write to them at:- einward.ris@kfintech.com evoting@kfintech.com
4.	Cut-off date for e-voting and Dividend	Friday, 22nd September, 2023
5.	Time period for remote e-voting	From 09:00 A.M. (IST) on Tuesday, 26th September, 2023 to 05:00 P.M. (IST) on Thursday, 28th September, 2023 [both days inclusive]
6.	Registrar and Share Transfer Agent contact details	Ms. B. Swati Reddy, Manager [Unit: Dixon Technologies (India) Limited] KFin Technologies Limited, Selenium Tower B, Plot No-31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi, Telangana -500032 E-mail: einward.ris@kfintech.com Contact No.: 040 - 6716 2222

We anticipate your presence in the Annual General Meeting. Kindly make it convenient to attend the same.

Very truly yours,

Sd/-

Ashish Kumar
Chief Legal Counsel & Group Company Secretary

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Dixon Technologies (India) Limited

CIN: L32101UP1993PLC066581

Regd. Office: B-14 & 15, Phase-II, Noida-201305, (U.P.) India, Ph.:0120-4737200

E-mail: investorrelations@dixoninfo.com, Website: https://www.dixoninfo.com, Fax No. 0120-4737263

NOTICE

Notice of Annual General Meeting

NOTICE is hereby given that **THIRTIETH ANNUAL GENERAL MEETING (the "AGM")** of the members of Dixon Technologies (India) Limited ("the Company") will be held as per below mentioned schedule:

Day	:	Friday
Date	:	29th September, 2023
Time	:	11:00 a.m. (IST)

via two way Video Conferencing/Other Audio Visual Means ("VC/OAVM") in compliance with General Circulars issued by Ministry of Corporate Affairs and SEBI to transact the following businesses:

A. Ordinary Business

Item No. 1. Adoption of Financial Statements & Reports

To receive, consider and adopt:

(a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Auditors and Board of Directors thereon; and

(b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 and the report of the Auditors thereon.

Item No. 2. Declaration of Dividend

To declare a final dividend of Rs. 3/- per equity share of face value of Rs. 2/- each for the Financial Year 2022-23.

Item No. 3. Appointment of Mr. Sunil Vachani as a director liable to retire by rotation

To appoint a Director in place of Mr. Sunil Vachani, Executive Chairman & Whole time Director (DIN: 00025431), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4. Re-Appointment of M/s S.N. Dhawan & Co. LLP as Statutory Auditors of the Company:

Rational: Refer the explanation given under Item No. 4 on page no. 12

To re-appoint M/s S.N. Dhawan & Co. LLP as Statutory Auditors of the Company for a term of 5 years from the conclusion of 30th AGM till the conclusion of 35th AGM.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s S.N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration Number 000050N/N500045) be and are hereby re-appointed as Statutory Auditors of the Company, for a further term of five (5) consecutive years, to hold office from the conclusion of the 30th (Thirtieth) Annual General Meeting until the conclusion of 35th (Thirty Fifth) Annual General Meeting on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

B. Special Business

Item No. 5. Ratification of Remuneration to be paid to M/s. Satija & Co., Cost Accountants, Cost Auditors of the Company

Rational: Refer the explanation given under Item no. 5 on page no. 12

To consider and if thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Satija & Co., Cost Accountants, Cost Auditors of Rs. 4,75,000/- (Rupees Four Lakh Seventy-Five Only) per annum plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, as approved by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2024, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of the Company (which term shall be deemed to include any Committee thereof) be and are hereby authorized to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable."

Item No. 6. Re-appointment of Mr. Keng Tsung Kuo (DIN: 03299647) as the Non-Executive and Independent Director of the Company for a second term of five consecutive years.

Rational: Refer the explanation given under Item no. 6 on page no. 12

To consider and if thought fit, to pass the following resolutions, with or without modification(s), as **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV of the Companies Act, 2013 ('**Act**'), read with the Companies (Appointment and Qualification of Directors), Rules, 2014, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), and any other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended from time to time, the Articles of Association of the Company, and the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Keng Tsung Kuo (DIN: 03299647), who was appointed as an Independent Director of the Company at the 26th Annual General Meeting of the Company for a period of five years, i.e., from 12th April, 2019 to 11th April, 2024 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of five years, i.e., from 12th April, 2024 to 11th April, 2029 (both days inclusive)."

Item No. 7. Approval of remuneration of Mr. Prithvi Vachani, Assistant General Manager (Business Development) of the Company to hold office or place of profit in the Company

Rational: Refer the explanation given under Item no. 7 on page no. 13

Members are requested to consider and if thought fit, to pass the following resolutions, with or without modification(s), as **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) read with Companies (Meetings of Board and its Powers) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification/s or re-enactment/s thereof for the time being in force and as recommended by the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company, consent of the Members be and is hereby accorded to the Board of Directors to approve and pay remuneration to Mr. Prithvi Vachani, Assistant General Manager (Business Development) and holding an office or place of profit in the Company, as computed under applicable provisions of the Companies Act, 2013, maximum upto INR 50,00,000/- (Rupees Fifty Lakhs Only) Per annum (including all allowances, perquisites and benefits that he is entitled to, effective 1st October, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 8. Appointment of Mr. Arun Seth (DIN: 00204434) as Non-Executive and Independent Director of the Company and continuation of his office as Non-Executive and Independent Director beyond age of 75 years

Rational: Refer the explanation given under Item no. 8 on page no. 14

Members are requested to consider and if thought fit, to pass the following resolutions, with or without modification(s), as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV of the Companies Act, 2013 **('Act')**, read with the Companies (Appointment and Qualification of Directors), Rules, 2014, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI Listing Regulations')**, and any other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended from time to time, the Articles of Association of the Company, and the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Arun Seth (DIN: 00204434), who is eligible for appointment and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive and Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 29th September, 2023.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for continuation of office of Mr. Arun Seth (DIN: 00204434) as a 'Non-Executive Independent Director' of the Company beyond the age of 75 years, till the completion of his ongoing term i.e. until 28th September, 2028.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee thereof) be and is hereby authorized to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.

Item No. 9. Approval of Dixon Technologies (India) Limited — Employee Stock Option Plan, 2023 ("DIXON ESOP 2023")

Rational: Refer the explanation given under Item no. 9 on page no. 14

Members are requested to consider and if thought fit, to pass the following resolutions, with or without modification(s), as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies, Act, 2013 (the "**Act**") read with rules framed thereunder and the Securities and Exchange Board of India ("**SEBI**") (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required or condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee as may be constituted by the Board for the purpose), the consent of the members of the Company be and is hereby accorded for approval of Dixon Technologies (India) Limited —Employee Stock Option Plan, 2023 and to the Board to grant, vest and allot, from time to time and in one or more tranches, under DIXON ESOP 2023, a maximum of 20,00,000 options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) exercisable into 20,00,000 equity shares of face value Rs. 2/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) for the benefit of present and future employees whether working in India or outside India and director(s), whether whole time director or not, including a Non-Executive director who is not a promoter or member of the promoter group but excluding independent directors, whether working in India or outside India of the Company (hereinafter referred to as "Eligible Employee") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares and / or equity linked instruments which would give rise to issue of equity shares (hereinafter collectively referred to as "Securities").

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under DIXON ESOP 2023 shall rank pari-passu inter-se in all respects with the then existing Equity Shares of the Company for all purposes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect DIXON ESOP 2023 as per the terms approved in this resolution and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate DIXON ESOP 2023, subject to compliance with the SEBI ESOP Regulations and other applicable laws, rules and regulations, as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under DIXON ESOP 2023 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution."

Item No. 10. Grant of stock options to the employees of Subsidiary Companies and Associate Companies, including Joint Venture Companies under Dixon Technologies (India) Limited – Employees Stock Option Plan, 2023 ("Dixon ESOP 2023").

Rational: Refer the explanation given under Item no. 10 on page no. 14

Members are requested to consider and if thought fit, to pass the following resolutions, with or without modification(s), as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies, Act, 2013 (the "**Act**") read with rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required or condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee as may be constituted by the Board for the purpose), the consent of the members be and is hereby accorded to extend the benefits of DIXON ESOP 2023 including the issuance of Options and shares thereunder to and for the benefit of present and future employees of the present and future Subsidiaries of the Company and Associate Companies, including Joint Venture Companies and its director(s), whether whole time director or not, including a Non-Executive director who is not a promoter or member of the promoter group but excluding independent directors, whether working in India or outside India (hereinafter referred to as "**Eligible Employee**") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares and / or equity linked instruments which would give rise to issue of equity shares to the intent that the number of Securities offered under DIXON ESOP 2023 to the Eligible Employees of the Subsidiary Companies and Associate Companies, including Joint Venture Companies shall be subsumed in the aggregate limit of 20,00,000 equity shares of the face value of Rs. 2/- (Rupees Two only) each set out in the Special Resolution under Item No. 9 of this notice (hereinafter collectively referred to as "**Securities**").

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under DIXON ESOP 2023 shall rank pari – passu inter-se in all respects with the then existing Equity Shares of the Company for all purposes.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution."

NOTES:-

1. The Ministry of Corporate Affairs, Government of India ("**MCA**"), and the Securities and Exchange Board of India ("**SEBI**"), have allowed companies to conduct Annual General Meetings through video conference ("**VC**")/ other audio-visual means ("**OAVM**"), without the physical presence of Members and, therefore, pursuant to General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 11/2022 dated December 28, 2022 by the MCA ("**MCA Circulars**") and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 issued by the SEBI ("**SEBI Circulars**") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the company is convening the 30th Annual General Meeting ("AGM") through VC/OAVM Facility, which does not require physical presence of members at a common venue.

2. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at B-14 & 15, Phase – II, Noida – 201305, India. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

3. Company has engaged KFin Technologies Limited, Registrar and Transfer Agents, to provide VC/OAVM facility for the AGM and the attendant enablers for conducting the AGM.

4. **IN TERMS OF THE MCA CIRCULARS, SINCE THE PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH, THERE IS NO REQUIREMENT OF APPOINTMENT OF PROXIES. ACCORDINGLY, THE FACILITY OF APPOINTMENT OF PROXIES BY MEMBERS UNDER SECTION 105 OF THE ACT WILL NOT BE AVAILABLE FOR THE 30TH- AGM.** However, in pursuance of Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are mandatorily required to send a scanned copy (PDF/JPG Format) of its Board or Governing Body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to scrutinizer.sba@gmail.com with a copy marked to evoting@kfintech.com.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, Registers of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Companies, 2013 and all such documents referred to in the Notice and the accompanying Explanatory Statement shall be available for inspection and the same can be accessed by sending a request to the Company at investorrelations@dixoninfo.com upto the conclusion of 30th AGM.

7. Details as required in sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 30th AGM, forms integral part of the Notice. Requisite declarations have been received from the Director for seeking appointment/re-appointment.

8. The register of members and share transfer books will remain closed from 23rd September, 2023 till 29th September, 2023 for the purpose of payment of final dividend for the financial year ended on 31st March, 2023 and the Annual General Meeting. 22nd September, 2023 (Friday) would be

the cut-off date for the purpose of reckoning members/ beneficial owners entitled to e-vote & attend AGM through VC/OAVM.

9. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appears on the register of members as on 22nd September, 2023 (**Cut-off date**). The Final dividend, as proposed, is Rs. 3/- per equity share having face value of Rs.2/-. Pursuant to the amendments introduced in the Income-Tax Act, 1961 vide Finance Act, 2020, w.e.f. 1st April, 2020, the Company is required to withhold taxes at the prescribed rates on the dividend paid to its members. Accordingly, the Company is required to deduct tax at source from dividend paid to the members at prescribed rates under the Income Tax Act, 1961.

10. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details and email address should send the same to their concerned Depository Participant(s).

11. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Affairs Department at the Company's registered office or e-mailing at investorrelations@dixoninfo.com or the Company's Registrar and Share Transfer Agent (KFin Technologies Limited) by e-mailing at einward.ris@kfintech.com for revalidation and encash them before the due dates. Members are requested to note that the dividend remaining unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund. In addition, as per Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund.

12. Members holding shares in physical form and who have not registered their bank account details with the RTA or who wish to update, can do so by emailing to einward.ris@kfintech.com with the following details – Folio No, Name & address of the their Bank, the Bank Account type, the Bank Account Number, MICR Code Number, IFSC Code and scanned copy of the cancelled cheque bearing the name of the first shareholder.

13. The Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto. The Board of Directors have considered and resolved that Special Business items are unavoidable in nature.

14. Members are requested to participate on first come first serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 30th AGM without any restriction on account of first-come-first-served principle. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

15. Attendance of the Members participating in the 30th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. A Member's log-in to the VC/OAVM platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Hence the Attendance Slip is not annexed to this Notice.

16. In compliance with the aforesaid MCA Circulars and SEBI Circulars, your Company is sending notice of meeting and other documents through electronic mode only, to all the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on 1st September, 2023, the (Record Date). Any person who acquires shares of the Company and becomes Member of the Company after 1st September, 2023, being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. 22nd September, 2023 may get their e-mail id registered as per the procedure mentioned herein below and they may obtain the User Id and password in the manner stated in the other instructions.

17. The Notice of the 30th AGM is also posted on the website of the company i.e. www.dixoninfo.com and on the website of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and also on the website of the Registrar and Share Transfer Agent of the Company at https://evoting.kfintech.com/.

18. As per the Listing Regulations and pursuant to SEBI Circular dated 20th April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where the dividend cannot be paid through electronic mode, the same will be paid through other permitted modes.

19. SEBI has, vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, mandated the furnishing of PAN, Address with PIN, email address, mobile number, bank account details and nomination by holders of physical securities. Folios wherein any one of the cited documents/ details in the aforesaid circulars are not available on or after 1st October 2023, shall be frozen by the Registrar and Transfer Agent of the Company. Members are requested to furnish the details in the prescribed form to the RTA of the Company i.e. KFin Technologies Limited. The required forms for the same can be downloaded from the website of the Company and the website of RTA.

20. SEBI has vide its circular no. SEBI/HO/OIAE/2023/03391 dated 27th January, 2023 advised all the listed entities to issue an intimation letter either by email or by SMS's to all the investors who holds the shares in physical form, creating awareness amongst the investors about the availability of Dispute resolution mechanism at the stock exchanges against the listed entities/RTA. The Company has already circulated such intimation letter to all the shareholders of the Company holding shares in physical form complying with the aforesaid provisions of the circular on 17th February, 2023.

21. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for **e-Voting on the resolutions set out in this Notice**:

    i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

    a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.

    b. Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD1/P/ CIR/2023/37, dated March 16th, 2023 all holders of physical securities in listed companies shall update the contact details through submitting the requisite ISR 1 form along with the supporting documents. ISR 1 Form can be obtained by following the link: https://ris. kfintech.com/clientservices/isc/default.aspx

    ISR Form(s) and the supporting documents can be provided by any one of the following modes:

    a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

    b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	Kfin Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

    c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#

22. PROCEDURE FOR REMOTE E-VOTING

    i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin Technologies Limited , on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

    ii. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

    iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

    iv. A) Commencement of remote e-voting - 09:00 A.M. on 26th September, 2023 (Tuesday)

    B) End of remote e-voting - 05.00 P.M. on 28th September, 2023 (Thursday)

    At the end of remote e-voting period, the facility shall forthwith be blocked.

    v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

    vi. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.

    vii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request through their registered email ID at evoting@Kfintech.com. However, if he / she is already registered with KFin Technologies Limited for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

    viii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

ix. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders.

Step 2: Access to KFintech e-Voting system in case physical and non-individual shareholders.

Step 3: Access to join virtual meetings of the Company on KFintech e-Voting System and cast your vote electronically.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasinew/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasinew/home/login II. Proceed with completing the required fields. III. Follow the steps given in point 1

Type of shareholders	Login Method
	3. Alternatively, by directly accessing the e-Voting website of CDSL I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738 or 022-23058542-43**

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'DIXON TECHNOLOGIES (INDIA) LIMITED - AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id scrutinizer.sba@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No.

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced will have to follow the following process:

i. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

vii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

viii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration'. The above mentioned facility shall be activated from Tuesday, 26th September, 2023 (09:00 a.m.) upto Thursday, 28th September, 2023 (11.00 a.m.). The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM. Members shall be provided a 'queue number' before the meeting.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from Tuesday, 26th September, 2023 (09:00 a.m.) upto Thursday, 28th September, 2023 (11.00 a.m.).

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact B. Swati Reddy, at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22nd September, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

RESULTS

24. The company has appointed M/s Shirin Bhatt & Associates, Practicing Company Secretary (FCS No. 8273, CP No 9150), to act as Scrutinizer for conducting the remote e-voting process and voting at the AGM in a fair and transparent manner.

25. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the AGM will make a consolidated Scrutinizer's Report and submit the same within 2 working days of conclusion of the AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

26. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.dixoninfo.com and on the website of KFin Technologies Limited i.e. https://evoting.kfintech.com. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

By Order of the Board of Directors

For **Dixon Technologies (India) Limited**

Sd/-
Ashish Kumar

Chief Legal Counsel & Group Company Secretary

M.No- F8355

Dated: 25th July, 2023
Address-B-14 & 15, Phase-II, Noida-201305

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members of the Company at the 25th Annual General Meeting ('AGM') held on 25th July, 2018, had approved the appointment of M/s S.N. Dhawan & Co. LLP, Chartered Accountants **(the "Audit Firm")** (Firm Registration no. 000050N/N500045) as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 25th AGM until the conclusion of the 30th AGM. Accordingly, the Audit Firm would be completing its first term of five years at the conclusion of this 30th AGM.

In accordance with the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 ('**the Act**') read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. The Audit Firm is eligible for reappointment for a further period of five years.

The Board of Directors, at its meeting held on 23rd May, 2023, based on the recommendation of the Audit Committee, approved the re-appointment of M/s S.N. Dhawan & Co. LLP for the second term of five years to hold office from the conclusion of the 30th AGM till the conclusion of the 35th AGM, at such remuneration as may be recommended by the Audit Committee in consultation with the Statutory Auditors and as approved by the Board of Directors of the Company.

The fees proposed to be paid to M/s S.N. Dhawan & Co. LLP towards Statutory Audit for the financial year 2023-24 shall not exceed INR 40,00,000/- (Rupees Forty Lakhs Only) plus out of pocket expenses with the authority to the Board of Directors to make revisions as it may deem fit for the balance term, based on the recommendation of the Audit Committee.

Audit Committee recommended the re-appointment of M/s S.N. Dhawan & Co. LLP, as Statutory Auditors to the Board of Directors of the Company considering its technical expertise, relevant industry experience, overall audit approach and performance, clientele served, understanding of Company's business and operations and ability to handle the scale, diversity and complexity associated with the audit of the financial statements/ results of the Company etc.

[Profile and synopsis of SN Dhawan & Co. LLP]

M/s S.N. Dhawan & Co. LLP, Chartered Accountants **(the "Audit Firm")** (Firm Registration no. 000050N/N500045) was established in the year 1944. The firm has 19 Partners who are supported by a strong and experienced large team of Directors, Managers, Senior and Junior Auditors and IT Specialist to serve clients' needs. The firm has in depth experience in sectors like Manufacturing, Construction, Infrastructure, Retail, FMCG, Real Estate, IT and ITES and E Commerce Companies, Power and Energy sector, Engineering Consultancy, BFSI, Automotive, Oil and Gas and Technology. The Firm is also registered with the Comptroller and Auditor General of India and Reserve Bank of India for audits of large public sector undertakings & banks.

The Audit Firm has 6 offices around the country in Bengaluru, Delhi, Gurugram, Indore, Kolkata and Nainital.

The Audit Firm has consented to their re-appointment and confirmed that their re-appointment if made, would be in accordance with Section 139 read with Section 141 of the Act. The Audit Firm has also confirmed that they have subjected themselves to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'. The Audit Firm has also furnished a declaration confirming its independence in terms of section 141 of the Act and declared that it has not taken up any prohibited non-audit assignments for the Company.

The Board hereby recommends the re-appointment of M/s S.N. Dhawan & Co. LLP as Statutory Auditors for the second term of 5 years, as set out in the Resolution no. 4, for approval of the Members as an Ordinary Resolution.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The Board of Directors of the Company at their meeting held on 23rd May, 2023, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Satija & Co., Cost Accountants (Firm Registration No. 004907) to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2024. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel(s) of the Company or their relatives are in any way, concerned or interested either financially or otherwise, in the said resolution.

The Board of Directors of your Company recommends that the Resolution under Item No. 5 be passed in the interest of your Company as Ordinary Resolution.

Item No. 6

Based on recommendation of the Nomination & Remuneration Committee and on the basis of his performance evaluation conducted by the Board on 23rd March 2023 evaluating Mr. Kuo on his Independence from the Company, his ability to exercise independent judgement in decision making, contributing strongly to the objectivity of the Board's deliberations and attendance at the Board/ Committee Meetings, the Board, after taking into consideration the skills, expertise and competencies found his performance satisfactory and at its meeting held on 23rd May, 2023, re-appointed Mr. Keng Tsung Kuo (DIN: 03299647) as an Independent Director, not liable to retire by rotation, for the second consecutive term of five years, i.e., from 12th April, 2024 to 11th April, 2029 (both days inclusive), subject to approval of the Members at the 30th AGM

Mr. Keng Tsung Kuo, pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director. Ms. Kuo has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA')..

The Company has received notice, pursuant to Section 160 of the Act, from member proposing the re-appointment of Mr. Keng Tsung Kuo.

Additional Information on Director recommended for appointment/re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards-2 as prescribed by the Institute of Company Secretaries of India is provided in Annexure-A hereto.

Given his knowledge, acumen, experience and substantial contribution, the Board considers it desirable and in the interest of the Company to have him re-appointed on the Board of the Company and accordingly the Board recommends the re-appointment of Mr. Kuo as an Independent Director as proposed in the Resolution set out at Item No. 6 for approval by the Members as Special Resolution.

Except for Mr. Keng Tsung Kuo and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 7

As per Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from to time, where the office or place of profit is held by an individual other than Director and such person receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation or otherwise, it requires the prior approval of the shareholders if the monthly remuneration exceeds two and a half lakh rupees, i.e. Rs 2,50,000/- per month.

The Board of Directors of the Company at its meeting held on 25th July, 2023 based on the recommendation of the Nomination & Remuneration Committee and Audit Committee approved the appointment and remuneration of Mr. Prithvi Vachani, holding an office or place of profit in the Company, as Assistant General Manager- Business Development of the Company with effect from 1st October, 2023. Such remuneration shall be in the ordinary course and at arm's length basis.

Brief Profile of Mr. Prithvi Vachani is as under:

Mr. Prithvi Vachani is a graduate from Bentley University, Waltham, United States and London School of Economics and Political Science, London, United Kingdom. He has done his MBA from London Business School. He also initiated a skill development program to bridge the gap between skills required by the industry vs the skills college graduate possess. He also trained college graduates on skills such as repairing mobile phones and assembling electronic devices. He has been an active member of YNG Delhi chapter, part of a network of 25,000 professionals over 13 countries. He has also completed a course on creating value through strategic finance at Indian school of Business, Hyderabad in January 2019.

He has been associated with some of the renowned organizations in the past like Max India, Signbees India. He has been associated with Dixon Technologies (India) Limited since 2019 as Project Manager- Business Development.

Considering his performance over the years, the Board of Directors (on the recommendation of Nomination and Remuneration Committee and Audit Committee) approved his appointment as Assistant General Manager- Business Development of the Company and thought fit to seek approval of shareholders to pay him remuneration beyond the limit prescribed under Section 188(1)(f) of the Companies Act, 2013 and rules made thereunder.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 are as under:

Sl. No	Particulars	Description
1	Name of Related Party	Mr. Prithvi Vachani
2	Name of Director or KMP who is related	Mr. Sunil Vachani (Executive Chairman)
3	Nature of relationship	Mr. Prithvi Vachani is the Son of Mr. Sunil Vachani
4	Nature, material terms, monetary value and particulars of contract or arrangement.	Remuneration to be paid maximum up to Rs. 50,00,000 per annum effective from 1st October, 2023.

Sl. No	Particulars	Description
5	Brief Profile and information relevant or important for the members to take a decision on the proposed resolution	Covered above
6.	Any advance paid or received in advance	Nil

None of the directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sunil Vachani, Executive Chairman and his relatives is concerned or interested, financially or otherwise, in the proposed Resolution. The Board recommends the Ordinary Resolution set out at item no. 7 of the Notice for approval by the members.

Item No. 8

Pursuant to the provisions of Sections 149, 150, 152 and Schedule IV of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Board of Directors of the Company have recommended the appointment of Mr. Arun Seth (DIN: 00204434) as an Independent Director of the Company.

Further, the Company has received a declaration from Mr. Arun Seth confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and Listing Regulations and is registered on the Independent Directors' Data Bank maintained by the Institute of Corporate Affairs (IICA).

The Company has also received required disclosures/ declarations under the provisions of Sections 149, 164, 184 of the Companies Act, 2013 and Listing Regulations in the prescribed forms from Mr. Arun Seth. In the opinion of the Board, Mr. Arun Seth, when appointed, fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and the Listing Regulations, for his appointment as an Independent Director of the Company and he is independent of the management of the Company.

Considering his deep repository of knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director of the Company with effect from 29th September, 2023, to hold office for a term of 5 consecutive years.

Moreover, Regulation 17(1A) of the SEBI Listing Regulations, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years (Seventy-Five years) unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

It is hereby informed that Mr. Arun Seth who is proposed to be appointed as a Non-Executive and Independent Director of the Company at the 30th Annual General Meeting is currently 71 years of age and he will attain the age of 75 years on 19th November, 2026. Considering Mr. Arun Seth's rich, considerable and diverse experience of 4 decades in the field of technology and telecom, the board is of the view that continued association of Mr. Arun Seth would benefit the Company in long run. Accordingly, appointment of Mr. Arun Seth as Non-Executive and Independent Director is recommended for approval of the Members beyond the age of 75 years.

Therefore, approval of the shareholders is being sought well in advance for continuation of office of Mr. Arun Seth as Independent Director of the Company beyond the age of 75 years,

Additional information in respect of Mr. Arun Seth, pursuant to the Secretarial Standards on General Meetings (SS-2), is given at "**Annexure A**" to this Notice.

Except Mr. Arun Seth, being the appointee, and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying notice.

The Board of Directors recommends the resolution in relation to appointment of Mr. Arun Seth as an Independent Director of the Company, as set out in Item No. 8 for the approval of the members by way of a Special Resolution.

Item No. 9 & 10

Stock Options create a sense of ownership and participation amongst the employees of the Company by aligning the interest of the employees with that of the organization and helps achieving in sustained growth of the Company by creation of shareholder value. Also, it is an effective instrument to attract, retain and reward appropriate human talent in the Company. The Board of Directors, considering the above mentioned objectives, at their meeting held on 25th July, 2023 formulated Dixon Technologies (India) Limited —Employee Stock Option Plan, 2023 ("**DIXON ESOP 2023**") for the present and/or future permanent employees of the Company and its present and future subsidiary Company(ies) and Associate Companies, including joint venture companies (hereinafter referred to as '**employees**' or '**said employees**') in accordance with the applicable laws. The scheme will be implemented through direct route and the Board at its meeting has designated the Nomination and Remuneration Committee as Compensation Committee ("committee") for the purpose of administration and implementation of DIXON ESOP 2023.

In terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62 and other applicable provisions of the Companies Act, 2013, issue of Shares to the employees of the Company requires an approval of the existing members by way of a Special Resolution and accordingly, the Special Resolution at Item No. 9 & 10 seeks your approval for the issue of further Equity Shares under the DIXON ESOP 2023, to the employees of the Company, as may be determined by the Compensation Committee. As per Regulation 6 (3)(c) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 approval of the shareholders by way of separate Special Resolution is also required for grant of options to the identified employees of Subsidiary Company and Associate Companies, including joint venture companies. Accordingly, Special Resolutions set out at Item No. 9 and 10 are seeking your approval for the said purposes respectively. The Salient features of the DIXON ESOP 2023 as per Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are as follows:

1. **Brief description of the Scheme:**

   The Scheme shall be called as the "**Dixon Technologies (India) Limited — Employee Stock Option Plan, 2023**" or "**Dixon ESOP 2023**" and shall extend its benefits to the present and/or future permanent employees of the Company and its present and future subsidiary (ies) and Associate Companies, including Joint venture Companies, in accordance with the applicable laws.

   The scheme will be implemented via Direct Route wherein the Company will allot fresh Equity Shares of the Company to the Employees upon successful exercise of their vested options.

2. **Total Number of Options to be offered and granted:**

   The maximum number of Options to be granted under DIXON ESOP 2023 shall not exceed 20,00,000 options convertible into equal number of Equity Shares of the Company of face value Rs. 2/- each.

3. **Identification of classes of employees entitled to participate and be beneficiaries in Scheme:**

   i. employee of the company who has been working in India or outside India; or

   ii. director of the company, whether a whole time director or not including a Non-Executive director who is not a promoter or member of the promoter group but excluding an independent director; or

   iii. an employee as defined in clause (i) or (ii) of a subsidiary and Associate Companies, including joint venture Companies, in India or outside India,

   but does not include—

   i. an employee who is a promoter or a person belonging to the promoter group; or

   ii. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company or to subscribe to such number of equity shares and / or equity linked instruments which would give rise to issue of equity shares

4. **Requirement of Vesting and period of Vesting**

   The options granted shall vest based upon the performance of the Employee, as may be determined by the Nomination and Remuneration Committee from time to time but shall not be less than 1 (one) year from the date of grant of options and more than 3 (Three) years from the date of grant of Options. Vesting may happen in one or more tranches. The specific Vesting schedule and Vesting conditions subject to which Vesting would take place would be outlined in the document given to the Option Grantee at the time of Grant of Options.

5. **Maximum period within which the options shall be vested**

   The options granted under Scheme shall vest as may be decided by the Committee subject to maximum period of 3 (Three) years. Vesting of Options would be subject to continued employment with the Company, or as the case may be, on the date of vesting.

6. **Exercise Price or pricing formula**

   The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the date of meeting of committee on which grant is to be made.

   If the Company is listed on more than one Stock Exchange, then the price of the Stock Exchange where there is highest trading volume during the aforesaid period shall be considered.

   The Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the par face value of Equity Share of the Company.

7. **Exercise Period and process of exercise**

   The Employee Stock Options granted may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of the respective Options.

   The mode and manner of the Exercise of the Options shall be communicated to the employees individually. On exercise of the Options, the employee shall forthwith pay to the Company the price which includes the grant price and applicable taxes. The options shall lapse if not exercised within the specified exercise period.

8. **Appraisal process for determining the eligibility of the employees**

   The process for determining the eligibility of the employees will be specified by the Nomination and Remuneration Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

9. **The Maximum number of Options to be granted per employee and in aggregate**

   The maximum number of Options that can be granted to any eligible Employee during any one-year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant of Options. The Committee may decide to grant such number of options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting. The maximum number of options to be granted under DIXON ESOP 2023 shall not exceed 20,00,000 Options.

10. **Maximum quantum of benefits to be provided per employee**

    The maximum quantum of benefit that will be provided to every eligible Employee under DIXON ESOP 2023 will be the difference between the Market value of Company's Share on the Stock Exchange as on the date of exercise of options and the Exercise Price paid by the employee to the Company.

11. **Implementation and administration of the scheme**

    The scheme shall be implemented by Direct Route and administered by the Nomination and Remuneration Committee of the Company.

12. Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both

The scheme is implemented by direct route, wherein the Company will allot fresh Equity Shares of the Company to its Employees who successfully exercise their vested options.

13. The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable

14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme

Not Applicable

15. Disclosure and accounting policies

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or as may be prescribed by regulatory authorities from time to time and shall also comply with the applicable accounting standards.

16. The method which the Company shall use to value its Options.

Fair Value Method

17. Statement with regard to Disclosure in Director's Report

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the approval of the Shareholders is sought by way of Special Resolution for the approval of the "Dixon Technologies (India) Limited —Employee Stock Option Plan, 2023 ("DIXON ESOP 2023") and issuance of shares under this Scheme.

18. Lock in requirements

Nil

19. Terms & conditions for buyback, if any, of specified securities covered under these regulations: Not Applicable

Therefore, your Directors recommend the Resolutions as set out at item no. 9 & 10 for your approval. Draft of Dixon Technologies (India) Limited —Employee Stock Option Plan, 2023 can be accessed by sending a request at investorrelations@dixoninfo.com till the date of Annual General Meeting.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them and to the extent of the stock options that may be granted to them under DIXON ESOP 2023 in the Company or the options to be granted under the Scheme. The Board recommends passing of the resolution(s) as set out under Item No. 9 & 10 for approval of the members as special resolution(s).

By Order of the Board of Directors

For **Dixon Technologies (India) Limited**

Sd/-

Ashish Kumar

Chief Legal Counsel & Group Company Secretary

M.No- F8355

Dated: 25th July, 2023

Address-B-14 & 15, Phase-II, Noida-201305

ANNEXURE-A

Particulars	Mr. Sunil Vachani	Mr. Keng Tsung Kuo	Mr. Arun Seth
DIN	00025431	03299647	00204434
Category of Director	Whole time Director	Non-Executive and Independent Director	Non-Executive and Independent Director
Brief Resume	As mentioned hereunder	As mentioned hereunder	As mentioned hereunder
Date of Birth and Age (in years)	27th November, 1968 and 54 years	4th December, 1958 and 64 years	19th November, 1951 and 71 years
Nationality	Indian	Taiwan (Republic of China)	Indian
Qualifications	Degree of Associate of Applied Arts in Business Administration	Master of Electrical Engineering & Executive MBA from National Taiwan University	Alumnus of IIT Kanpur and IIM Calcutta.
Experience & Expertise	Mr. Sunil Vachani has over three decades of experience in the EMS industry. He is associated with the Company since its inception and under his reins, the Company has been adjudged as one of the leading Indian EMS by various trade journals and industry bodies. Mr. Vachani had been associated with Benin for over 10 years as their Honorary Consul General. He been elected as Vice President (South) of Consumer Electronics and Appliances Manufacturers Association ("CEAMA"), for the term 2021-23. He is also one of Board member of CEAMA. He has held positions like chairman of the Electronics and Computer Software Export Promotion Council of India and Co-Chair of the CII ICTE Committee. Mr Vachani has been awarded the "Man of Electronics Award" by CEAMA in 2015, the "Outstanding Citizen Award 2012" by the Sindhi Chamber of Commerce and one of the "Top 100 people influencing EMS" in 2012 by the ventureoutsource.com. He has been awarded as the Dataquest Aatma Nirbhar Bharat Champion for the year 2020. Mr. Sunil Vachani has been conferred with Electronic Industries Association of India's Special Jury Award for "Electronics Man of the Year" for 2020-21. He has also been bestowed with the prestigious 'EY Entrepreneur of the Year™ 2021' award in Manufacturing category.	Mr. Keng Tsung Kuo has over 30 years of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management. Mr. Kuo holds Master of Electrical Engineering from National Taiwan University and has also done his Executive MBA from National Taiwan University. Earlier he had been associated with Global conglomerates such as Hewlett-Packard Taiwan LTD and has also served in key positions in elite corporations such as United Microelectronics Corp, Lam Research Co., Ltd. and MediaTek Inc. He has also served as an Adjunct Professor in National Taiwan University.	Mr. Arun Seth aged 71 years is an alumnus of IIT Kanpur and IIM Calcutta. He has more than 45 years of experience in senior commercial positions in BT, Alcatel , HCL . Mr. Seth started as the founding MD of British Telecom in India in 1995 and built it to its current leadership position in managed telecom services and outsourced IT and back office operations. He has also helped incubate both Airtel and Mahindra BT in mid-90's into what now is the global Airtel and Tech Mahindra . He had been very active with Government and Regulators on shaping Telecoms Policy and IT policy by being an elected member of Nasscom for more than a decade. He is currently serving as an independent Director on the board of companies like, Jubilant Pharmova Ltd, Jubilant Ingrevia Ltd. Also, he is in the Board of Kent RO Ltd., Usha Breco Ltd., Sify Technologies Ltd., Tonetag and Ixigo and has served Narayana Health board for 8 years . He is an active investor advisor to disruptive tech companies like Global ad Network (Inmobi) which he incubated in 2007 and became India's first unicorn and also created a second unicorn (Glance). He works with many disruptive tech companies to help them scale up in the Indian market many of whom like Nutanix etc have become multibillion dollar global companies. He is extremely active on NGO and Education boards and is a co-founder of India's leading NGO in livelihoods The Nudge Institute , an advisor to Give India. He is also a Governing Member of HelpAge India Board, SPIC-MACAY, NCPEDP (Employment for Disabled people). He was chairing Nasscom Foundation till 2019 which drives CSR initiatives across the IT Industry using tech for scaling good."

Particulars	Mr. Sunil Vachani	Mr. Keng Tsung Kuo	Mr. Arun Seth
Terms and conditions of appointment or re-appointment	As per the Resolution passed by the members at the Annual General meeting held on 28th September, 2021, Mr. Vachani was appointed as Whole Time Director for a period of 5 years, with effect from 5th May 2022 and upto 4th May, 2027 liable to retire by rotation	As per the resolution passed by the Board of Directors of the Company Mr. Keng Tsung Kuo was appointed as the Additional Director in the capacity of Non-Executive & Independent Director, subject to approval of the members at the ensuing Annual General Meeting, for a term of 5 years w.e.f 12th April, 2019, not liable to retire by rotation. The said terms and conditions for appointment of Independent Directors are available on the website of the Company at https://www.dixoninfo.com/codes-policies.php	As per the Resolution to be passed by the members at the Annual General meeting to be held on 29th September, 2023.
Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	As per the existing terms approved by the shareholders at the Annual General Meeting held on 23rd August, 2022 and pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For The remuneration last drawn by the director, please refer the Corporate Governance Report, forming part of the Annual Report	No remuneration was drawn by Mr. Keng Tsung Kuo in the previous financial year apart from sitting fee, out of pocket expenses and commission, (amounting to INR 12,00,000). He is not entitled to any other remuneration from the Company. Furthermore, for his second term he will continue to be paid to a commission/ sitting fees as approved by the shareholders at the 25th Annual General Meeting held on 25th July, 2018.	In addition to coverage under Director's Liability Insurance and sitting fees for attending the meetings of the Board and its Committees, Mr. Seth would be entitled to remuneration by way of commission, as may be determined by the Board from time to time pursuant to shareholder's consent granted at the 25th Annual General Meeting held on 25th July, 2018.
Date of first appointment on the Board	15th January, 1993	12th April, 2019	N.A as he is directly being appointed at the Annual General Meeting.
Shareholding in the company as on 25th July, 2023 (or as a beneficial owner)	15747644 equity shares (26.44%)	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No inter-se relation	No inter-se relation	No inter-se relation.
Number of Meetings of the Board attended during the year`	6	6	N.A

Particulars	Mr. Sunil Vachani	Mr. Keng Tsung Kuo	Mr. Arun Seth
Names of the Listed entities in which the person holds directorship.	Dixon Technologies (India) Limited	Dixon Technologies (India) Limited	1. Jubilant Pharmova Limited 2. Jubilant Ingrevia Limited 3. Narayana Hrudayalaya Limited
Other Directorships	1. Padget Electronics Private Limited 2. Dixon Electro Appliances Private Limited 3. Dixon Electro Manufacturing Private Limited 4. Dixon Technologies Solutions Private Limited 5. AIL Dixon Technologies Private Limited 6. Consumer Electronics and Appliances Manufacturers Association 7. Prikar Holding Private Limited	1. Vtouch Hitechnologies Private Limited 2. Digital Doctor Private Limited	1. Kent RO Systems Limited 2. Usha Breco Limited 3. LE Travenues Technology Limited 4. Sify Technologies Limited 5. Naffa Innovations Private Limited 6. Devrev Cloud India Private Limited 7. Sify Digital Services Limited 8. IITK Foundation For Medical Research and Technology 9. Cyber Media Research & Services Limited 10. Hunger INC Hospitality Private Limited 11. Nudge Lifeskills Foundation 12. Pamp Technologies (India) Private Limited 13. Sify Infant Spaces Limited *Effective 7th August, 2023, he will delimit his Directorship from one of the aforesaid Public Companies.
Names of the Listed entities from which the person has resigned in the past 3 years	Nil	Nil	Cyber Media (India) Limited
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2023 (Refer Note 1)	3	Nil	N.A.
Skills and Capabilities required for the role and the manner in which the proposed meets such requirements	N.A.	The role and capabilities as required in the case of an independent director are well defined in the Policy of the Company. Further, the Board has a defined list of core skills/ expertise/ competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Keng Tsung Kuo and concluded that Mr. Kuo possess the relevant skill and capabilities to discharge the role of Independent Directors. business of the organization.	The role and capabilities as required in the case of an independent director are well defined in the Policy of the Company. Further, the Board has a defined list of core skills/expertise/ competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Arun Seth and concluded that he possesses the relevant skill and capabilities to discharge the role of Independent Directors. business of the organization.

Note 1: Chairpersonship and membership of the audit committee, the Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee has been considered

Dixon®

The brand behind brands

TELECOM & NETWORKING PRODUCTS

LIGHTING SOLUTIONS

HOME APPLIANCES

CONSUMER ELECTRONICS

MOBILE PHONES

WHAT'S NEW WHAT'S NEXT

SET TOP BOX

IT HARDWARE PRODUCTS

REFRIGERATOR

SECURITY SYSTEM & SURVEILLANCE

WEARABLES & HEARABLES

Dixon Technologies (India) Limited

ANNUAL REPORT 2022-23

CONTENTS

Corporate Overview

Statutory Reports

Financial Statements

Visit our online Annual report 2022-23
Download the report

₹ **1,21,976** Million
Revenue

₹ **46,794** Million
Total Assets

₹ **5,184** Million
EBITDA

Sunil Vachani
Executive Chairman,
Dixon Technologies (India) Limited

I personally believe, not all headwinds are challenges but all challenges contain within it are a scope of opportunity and growth. At Dixon, we strongly rely on our ability to overcome or conquer any situation to uncover WHAT's NEXT!

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

WHAT'S NEW NEXT

We are constantly asking –

What's NEXT?
What's NEW?

DIXON TECHNOLOGIES HAS WITNESSED PHENOMENAL PROGRESS OVER THE PAST FEW YEARS. OUR PENCHANT FOR EXCELLENCE HAS ESTABLISHED A STEADY TRAJECTORY FOR SETTING NEW BENCHMARKS IN THE INDUSTRY. BUT, WE ARE FAR FROM BEING COMPLACENT WITH OUR ACCOMPLISHMENTS.

01

To unlock new possibilities, we remain mindful of emerging opportunities.

02

To unravel growth paths, we seek to expand our manufacturing capacity, technological and R&D expertise.

03

To mould a better future, we are constantly diversifying our portfolio and encouraging strategic partnerships that fuel our growth journey.

04

Our sustained focus on operational efficiency, prudent financial management and an intrinsic potential to fulfil changing customer aspirations places us on a strong footing to build the foundation for WHAT'S NEXT – preparing us for a new chapter of ambitious growth.

ONE OF THE LARGEST INDIAN ELECTRONIC MANUFACTURING SERVICES (EMS)* PROVIDERS, DIXON TECHNOLOGIES (INDIA) LIMITED OFFERS AN EXTENSIVE RANGE OF PRODUCTS FOR RENOWNED GLOBAL BRANDS. BACKED BY ITS TECHNICAL EXPERTISE ALONG WITH ITS DESIGNING AND MANUFACTURING CAPABILITIES, DIXON CONTINUES TO BE A MARKET LEADER IN AN EVOLVING BUSINESS LANDSCAPE.

DIXON TECHNOLOGIES AT A GLANCE

Staying true to our ethos, we act as a discernible link between end-users and leading electronic brands. Our focus on developing and designing industry-leading products as well as building a frugal, flexible, and fungible manufacturing base enables us to meet diverse client expectations. We believe, it offers us an opportunity to further expand our foray in specialised markets where application-specific knowledge is essential.

₹46,794 Million
Total Assets

2,700+
Employees

₹1,21,920 Million
Revenue from operations

21
Manufacturing plants

₹2,551 Million
PAT

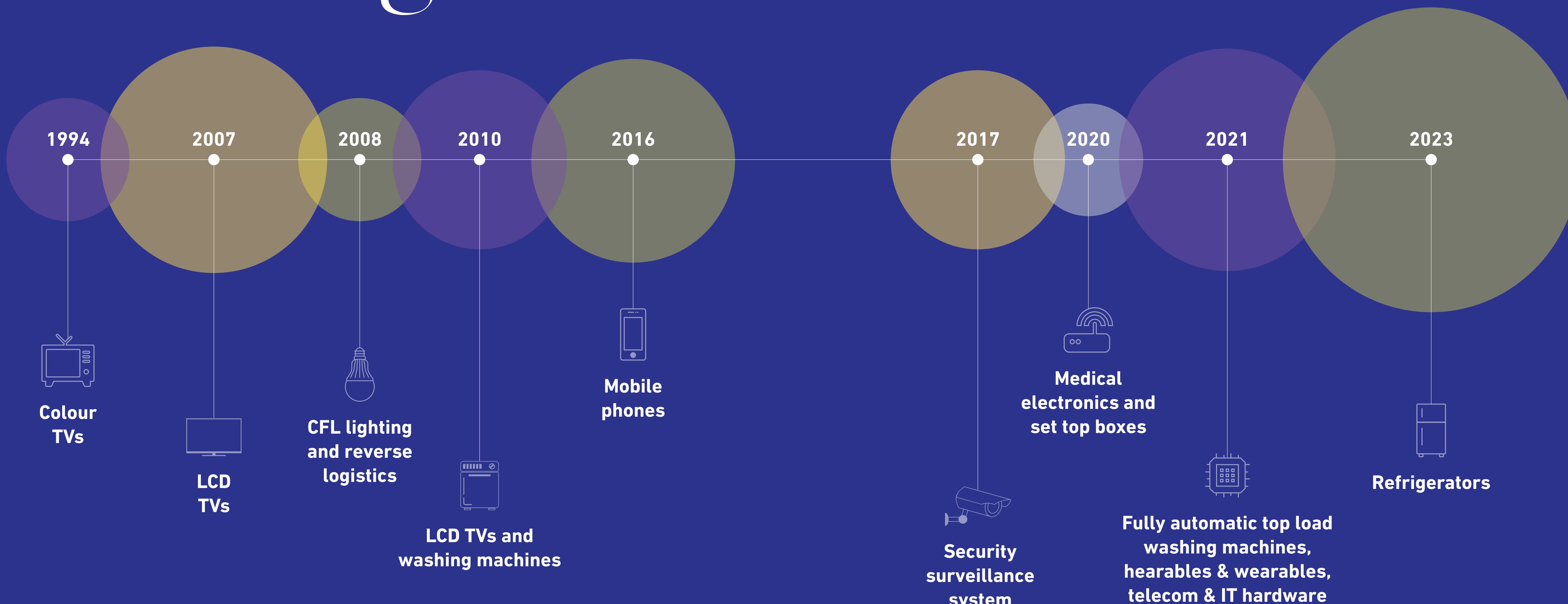
3
R&D centres

*in terms of revenue and market capitalisation

WHAT'S NEXT

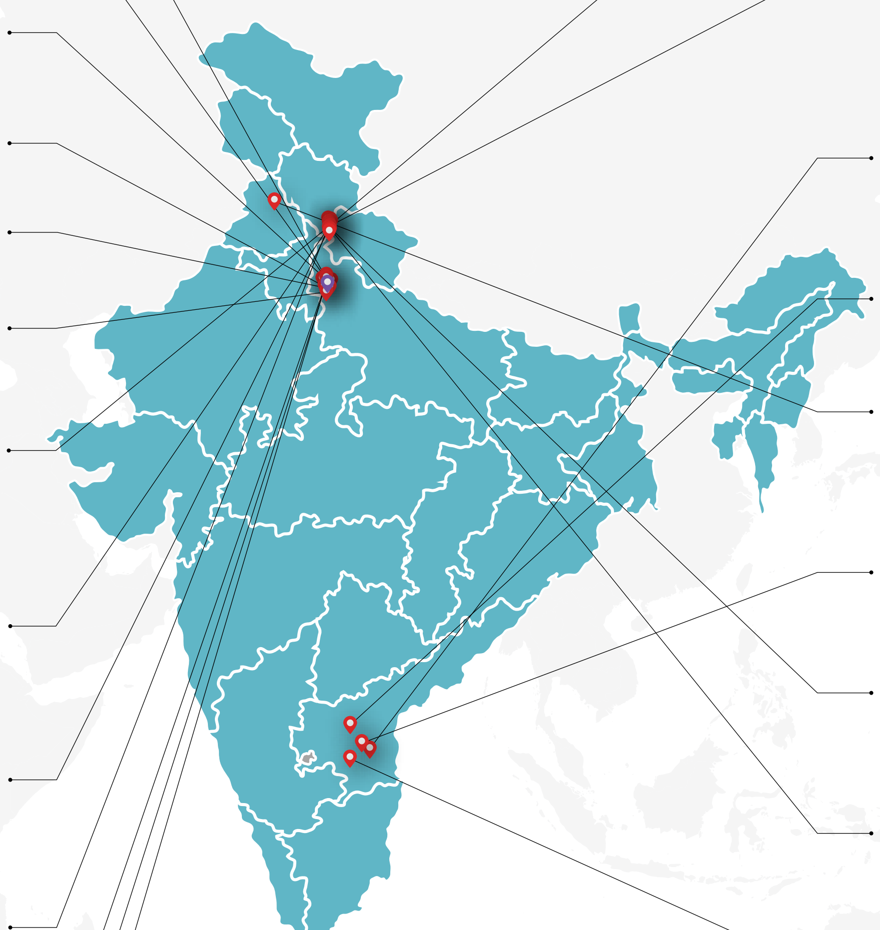
A legacy of delivering value

AT DIXON, OUR PROUD LEGACY OF MANUFACTURING EXCELLENCE AND TECHNOLOGICAL EXPERTISE HAVE PAVED THE PATH FOR UNLOCKING NEW POSSIBILITIES FOR A BRIGHTER FUTURE. IT ENABLES US TO LOOK BEYOND OPERATIONAL HURDLES AND CREATE QUALITY PRODUCTS THAT EARN THE TRUST AND LOYALTY OF GLOBALLY RENOWNED BRANDS.



OUR PRESENCE

Where we are



B-14 & 15, Phase-II, Noida-201305 (corporate office)

B-18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305

C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305

Plot No. 6, Sector-90, Noida

A – 23, Sector-60, Noida

First Floor, Plot No.154C, Block-A, Sector-63, Noida

Khasra No 1050, Central Hope Town, Selaqui Industrial Area, Dehradun, Uttarakhand

Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand

Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand

Khasra No. 261MIN, Central Hope Town, Selaqui, Dehradun, Uttarakhand-248197

B-14. Sector-85 Noida

B-17, Sector-85 Noida

A-14, Sector-68 Noida, Gautam Buddha Nagar-201301

Plot no 992/2, Selaqui Industrial Area, Dehradun, Uttarakhand

Plot No. C-2/1, UPSIDC (SIDCUL), Industrial Area, Tehsil Vikas Nagar, Dehradun, Uttarakhand

Shed No. 2, 4, 5, 6, 7, 8, 9, 10 EMC II, Govindavaram, Chittoor- 517526

Shed 1-4, YSR EMC-II, Kadapa, Koppparthy

Plot No. 1-4, Rural Industrial Complex, VPO-Hambran, Ludhiana

Plot No. 30 & 31. Govindavaram panchayat, Tirupati

Plot no. 122 & 265, Central Hope Town, Selaqui, Dehradun

Plot No. C-8, SIDCUL Industrial Area, Selaqui Dehradun, Uttarakhand

EMC-2, Shed 12 & 13, VIkruthmala, Yerpedu Mandal, Chittoor District, Andhra Pradesh

Headquarters
Noida, U.P

Subsidiaries

Number of Companies	6					
Entity name	Dixon Global Private Limited	Padget Electronics Private Limited	Dixon Electro Appliances Private Limited	Dixon Electro Manufacturing Private Limited	Dixon Technologies Solutions Private Limited	Dixtel Communications Private Limited
Dixon's Share in the company	100%	100%	51%	100%	100%	100%

Joint Venture

Number of Companies	3		
Entity name	AIL Dixon Technologies Private Limited	Rexxam Dixon Electronics Private Limited	Califonix Tech and Manufacturing Private Limited
Dixon's Share in the company	50%	40%	50%

CHAIRMAN'S MESSAGE

"I would also like to take this opportunity to appreciate each and every employee of Dixon. It is because of their efforts we continue to be one of the leading EMS players in India.

Dear Shareholders,

I personally believe, not all headwinds are challenges but all challenges contain within it a scope of opportunity and growth. At Dixon, we strongly rely on our ability to overcome or conquer any situation to uncover WHAT's NEXT! The year under review has been yet another remarkable year for Dixon, wherein we continued to grow our existing businesses and explored newer opportunities in the backdrop of a dynamic macroeconomic scenario.

Macroeconomic environment

The global economic growth was significantly hindered in the year gone by, however amid a number of challenges, the Indian economy has remained resilient on account of its strong macroeconomic fundamentals. It is also placed well ahead of other emerging market economies and is been viewed as silver lining among the global slowdown.

India has also demonstrated huge potential as an export hub and investment destination for the manufacturing and services sector. The Government of India has introduced multiple reforms in the form of changes to FDI policy and introduction of Production Linked Incentive (PLI) Scheme to boost economic growth in the short-term, especially in the manufacturing sector.

"We will strive to continue to stay at the forefront of this evolving manufacturing industry landscape. By leveraging our design capabilities to offer tailored solutions and drive innovation, we are looking forward to meeting the evolving requirements of our customers.

While, the production-linked incentive scheme has been hugely beneficial for certain sectors like smartphone manufacturing, as an industry, we need to start looking beyond that: The sector needs to start becoming more self-reliant. To this end, we believe that the sector and Dixon will have to invest heavily in research and development and in the component ecosystem, which needs a drastic transformation.

With India aiming to grow its exports to $100 billion in the next five years from the current $10 billion, we strongly believe that our country's design-led manufacturing has a major role to play in strengthening the country's manufacturing sector and boost exports. Besides, design-led manufacturing also helps develop eco-friendly and resource-efficient products, driving sustainable development.

We will strive to continue to stay at the forefront of this evolving manufacturing industry landscape. By leveraging our design capabilities to offer tailored solutions and drive innovation, we are looking forward to meeting the evolving requirements of our customers.

Reinforcing competitiveness

In today's macroeconomic environment, aggressive go-to-market strategies are imminent. Our business is not immune to economic uncertainty. It affects us as well as our customers and end-users. Thus, at Dixon, we are focussed on enhancing productivity through prudent investments in new and existing businesses. It not only allows us to ensure strong returns but, also forms the foundation for a healthy balance sheet. Additionally, we are prioritising continued growth through strategic capex allocation, strengthening R&D efforts and being cautious about our environmental footprint.

The government's initiatives for making India a global manufacturing hub for electronics have also encouraged us to consistently upgrade our capability and fortify our position as a leading manufacturing service provider in the electronic space. We have also relentlessly pursued technological changes to keep up with an evolving business environment. It lends us an opportunity to diversify our offerings and strengthen operations.

Factors such as our integrated manufacturing facilities, cost competitiveness, strong and diverse client base, technical know-how, experienced leadership team and robust R&D capabilities have enabled us to grow exponentially in the past decade. Additionally, our ability to reduce debts, ensure prudent capital allocation and augur investments for expanding our scale of operations has enabled us to stay ahead of the curve and competition.

I would also like to take this opportunity to appreciate each and every employee of Dixon. It is because of their efforts we continue to be one of the leading EMS players in India. Their extensive product knowledge and technological prowess lends us strong execution capabilities. Besides, we believe in upskilling our employees and encouraging them to fulfil organisational objectives.

> Our employees are among our most valuable assets and the achievements we have attained as a Company are a direct result of their dedicated and unwavering efforts.

Our focus on ESG

At Dixon, we are continually focussing on sustainability and responsible business practices and aligning ourselves with the global shift of integrating ESG considerations into corporate strategies. By improving our bottom line, while prioritising social and environmental aspects, we are working towards creating long-term value and contributing to a more sustainable future.

We have dedicated several years to integrating ESG parameters into our business strategies and daily operations. I am pleased to inform all stakeholders that starting this year, we have officially embarked on a formal ESG journey by establishing specific ESG targets. This significant step will provide a renewed direction to our efforts, enabling us to contribute towards environmental conservation, socio-economic well-being, and combating climate change.

It is widely recognized that climate change poses a grave threat to humanity's existence, requiring each individual to fulfill their responsibility in mitigating its effects. In line with our duty, we have committed to achieving carbon neutrality in our operations by 2030 through consistent reduction of greenhouse gas emissions. Although this represents just the initial phase of our larger objective, we are confident that our collective efforts will lead us to success.

Our business activities are founded on environmentally sustainable and safe practices, which are backed by international environmental and safety certifications. We understand the negative impact of fossil fuels on climate change and thus, considering that we are continually augmenting the renewable energy contribution in the total energy mix.

Also, as electronic manufacturers, we acknowledge our specific energy-saving duty. This is crucial considering the energy consumption associated with electronic products and the potential environmental impact. By focusing on sustainable technology, procedures, and advancements, we have been contributing to reducing energy consumption, minimizing waste generation and ensuring recycling or safe disposal, and mitigating the environmental footprint of our products and operations.

Our employees are among our most valuable assets, and the achievements we have attained as a company are a direct result of their dedicated and unwavering efforts. Hence, it is our duty as an organization to prioritize their well-being, with the provision of a safe and healthy working environment being paramount. I am pleased to announce that in the fiscal year 2023, we have recorded zero occupational fatalities across all company locations, demonstrating our commitment to this cause. Moving forward, we will steadfastly continue along this trajectory and uphold our pledge. Furthermore, we are fully committed to upholding the human rights of all individuals we engage with and maintaining a zero-tolerance policy against child and forced labor in all our operations.

We also value societal rights and recognise our responsibility to uphold them. Towards this end, we carry out our CSR initiatives focussing on the local communities where we operate. Additionally, as a people-oriented company, we have implemented fair employment practices that contribute to the creation of an inclusive and supportive work environment. By focusing on learning, skill development, teamwork, and employee involvement policies, we create an environment that allows our people to grow and flourish.

Paving the path to sustained growth

The first few years have taught us to be resilient and agile even in the face of uncertainty. Going forward, the basis for our company's future growth rests on innovation. The demand across all business segments remains promising and we have a very strong order book across all the verticals. In light of persistent macroeconomic uncertainty, we are sharpening our focus on cost optimisation and are calibrating investments with the pace of our growth. Notably, we are accelerating our digital transformation and implementing state-of-the-art technologies to unlock growth potential, improve operational efficiency, and deliver enhanced experiences to our customers.

A key development we are looking forward to is designing our own products. We are shifting from a prescriptive manufacturing approach to a more design-oriented one. We are seeking to enter many new product categories. While, our product portfolio has always been high volume and low margin, we want to now start looking at product categories that are high margin, such as electric vehicles, defence, drones, medical electronics, and telecom infrastructure. We believe, Indian electronics manufacturing will definitely be a sector to watch out for in the next 14 years, and a lot of big changes are expected.

> Notably, we are accelerating our digital transformation and implementing state-of-the-art technologies to unlock growth potential, improve operational efficiency, and deliver enhanced experiences to our customers.

Before I finish, I would like to thank all our investors, shareholders, customers, suppliers and other stakeholders for their continued support and trust in us. We remain agile and committed to growing responsibly and creating value for all our stakeholders in the coming years as we strive to maximise our business potential and secure the foundation of a robust and progressive organisation.

Regards

Sunil Vachani
Executive Chairman,
Dixon Technologies (India) Limited

VICE CHAIRMAN AND MANAGING DIRECTOR

"And today, I am pleased to report that Dixon's net worth is more than ₹ 12,850 million. It has also become one of the largest homegrown electronics contract manufacturers.

Q It's been a little more than five years since Dixon got listed. How would you summarise the growth of the Company during this period?

A The past five years have not been easy for any company, especially due to the unpredicted and unexpected challenges posed by the pandemic or geopolitical tension and its consequences in the form of rising inflation levels and reduced purchasing power. At Dixon, we have executed a consistently differentiated strategy for enhancing our manufacturing scale, diversifying our offerings and relentlessly focusing on being a one-stop-solution for customers.

And today, I am pleased to report that Dixon's net worth is more than ₹ 1,285 Crores. It has also become one of the largest home-grown electronics contract manufacturers. In terms of revenue, our consolidated revenue from operations has grown from ₹ 2,853 Crores on 31st March 2018 to ₹ 12,192 Crores on 31st March 2023, grown at a 34% CAGR . Moreover, in terms of market capitalisation, we have grown from ₹ 3,715 Crores on 31st March 2018 to ₹ 17,043 Crores on 31st March 2023, Grown at a 36% CAGR. In terms of scale, we have grown from 9 manufacturing facilities offering products to 21 integrated facilities delivering products across multiple segments.

Q Can you please walk us through the major highlights for the year under review?

A In fiscal year 2022-23, Dixon's business environment remained challenging. Despite adversities, we registered a growth of 14% in our consolidated revenue which stood at ₹ 12,198 Crores in FY 2022-23 as compared to ₹ 10,701 Crores in FY 2021-22. Our EBITDA grew from ₹ 383 Crores in FY 2021-22 to ₹ 518 Crores in FY 2022-23, a growth of 35%. Our PAT grew by 34% YoY to ₹ 256 Crores in the current year as compared to ₹ 190 Crores in the previous year.

As far as the balance sheet is concerned, we are pleased to report that there is a reduction in gross debt by ₹ 275 Crores and our debt-equity ratio stands at 0.14 times, as on 31st March 2023. We also maintained a strong liquidity position, with free cash flow generation of ₹ 276 Crores. Our key return ratios i.e. RoCE and ROE showed strong improvement and stood at 33.4% and 22.4% respectively. We are relentlessly focusing on optimising our cost and ensuring prudent working capital management. We believe this will enable us to maintain a strong balance sheet, profitability and sustain our growth pillars.

Moving onto operational highlights, the demand for all our products continues to be robust across business segments. I am also extremely proud to inform you all that Dixon was the first manufacturer to bag the PLI incentive in September 2022.

During the year under review, we achieved various milestones and the key highlights from each of our verticals are as follows:

- Along with providing OEM and ODM services in the consumer electronics segment, we have also ventured into JDM (Joint Development Manufacturing) with our customers. We have also signed an agreement with Google for sub-licensing rights for Android and Google TV, which we believe will enable us to further strengthen our position in the segment. Apart from it, in the ODM, we are the only Indian Google agency in the smart television segment. In backward integration will be soon started injection moulding & also invested in LED bar & SMT line
- In the lighting business, various new products such as strips & rope lighting have been launched for which commercial production is expected to commence soon. Our R&D team has been strengthened significantly for the launch of professional lighting whose roll out is underway. New smart lighting products based on blue tooth mesh technology that we acquired from Ibahn Illuminations will be launched in FY 23-24. We have met our threshold investment in FY 22-23 under PLI for LED Lighting components
- Our new state of the art facility for Semi-Automatic Washing Machine in Dehradun will be operational by July 2023, also in line with our Backward Integration strategy we have set up our own Tool Room for in-house Mould Manufacturing
- In the mobile phone segment, we are in the process of concluding with a few major brands present both globally & domestic. Also, we are working towards increasing our manufacturing capacity. In addition to this, we are on the verge of finalizing two large relationship with the largest global brand in India. The relationship with one of the brand is joint manufacturing. We are likely to start operations for the same during fiscal year 2023-24 for which a new facility of 320,000 square feet is in the process of being set up in Noida, which will become operational by end of Q2- FY24.In the Security surveillance system segment, we have expanded our capacity and have, therefore, relocated our facility from Tirupati to a 200,000 square feet facility at Kadapa, Kopparthi Electronic Manufacturing Cluster.
- We have also received a large order of set-top boxes from our anchor customer and its production is expected to start of Q2 of current fiscal year 2023-24. We are also actively engaging with some of the largest global brands for enhancing the existing product portfolio and introduction of new categories.
- In the wearables and hearables segment, we are working on adding newer SKUs such as Bluetooth speakers and smart watches alongside TWS and neck bands.
- Through a comprehensive strategy that includes various layers, long-term initiatives, and strategic partnerships, we have successfully increased our renewable energy share by 7.1% of our total energy usage.
- We have made substantial progress in adopting renewable energy solutions, specifically through the installation of rooftop solar panels, to decrease our dependence on traditional energy sources. To facilitate this initiative, we have implemented the OPEX (operational expenditure) model for solar power system deployment.
- Given our people are of utmost importance, we maintain a continual focus on their development. In alignment with this commitment, we have allocated ₹ 6.38 Lakhs this year towards their growth and advancement.
- In our endeavor to make a positive impact on our communities, we have made a substantial investment of ₹ 3.8 Crores in areas such as skill development, environmental sustainability, education, and healthcare. Through these initiatives, we aim to contribute towards the betterment of our communities and foster their long-term growth.

We have also ramped up our R&D efforts to introduce new products as well as to explore opportunities of backward integration. To strengthen export orders, we are also proudly partnering with leading brands across the globe.

Q Dixon has been entering various new joint ventures and expanding to newer segments. Can you please shed some light on that as well?

A At Dixon, we believe it is integral to collaborate with customers, suppliers and other key stakeholders to accelerate our growth cycle. This will not only enable us to diversify our offerings but, also helps us to gain insight into newer technologies and attain operational efficiency.

During the year under review, we entered into a Term sheet with Mega Alliance Holdings Ltd, a part of the Tinno Group for prospective Joint venture for designing and manufacturing of mobile communication equipment and related solutions in India. Through this joint venture, we propose to undertake research and development, product designing and maintain the supply chain of multiple product categories including smartphones, IT hardware products, IoT-based products and other similar devices that facilitate voice and data communication in domestic and international markets.

During the year under review, Our JV with Rexxam, Japan to manufacture Printed Circuit boards for air conditioners based out of our new manufacturing facility in Noida whose operations have commenced in July, 2022 under the PLI scheme. We intend to invest ₹ 51 Crores over a period of 5 years. We have achieved the capex thresholds under the PLI scheme in FY 2022-23

Given the increasing demand in the refrigerator segment, the construction of the new manufacturing facility in Greater Noida with a capacity of 1.2 million direct cool refrigerators, is under way. We plan to manufacture DC refrigerators of various sizes, ranging 190 litres/ 235 litres with multiple features and have received positive response from domestic as well as international brands. The product trials are expected to start from the next fiscal year.

Q What next and new can we expect from Dixon in the year ahead?

A Going forward, we are committed for investment in new businesses and diversify our current offerings. We will continue to work towards strengthening our financial & creating value for all our stakeholders. We believe, Dixon now is poised to take the leap forward and attain greater heights of success.

Mr. Atul B Lall

Vice Chairman and Managing Director
Dixon Technologies (India) Limited

MESSAGE FROM THE CFO

Our company's performance during the year reflects in its strong financial foundation and momentum

Summary of Financial Year

Our company has delivered yet another year of strong performance with a revenue of ₹ 12,198 Crores which is a growth of 14% as against revenues of previous financial year. EBITDA and PAT grew by 35% and 34%, respectively. EBITDA margin expanded to 4.3%, up +70 bps year on year led by change in sales mix, operating leverage, cost optimization & efficiency measures across all business & continued implementation of strategic price hikes across ODM business of Washing Machine & Lighting business

14% Revenue Growth

35% EBITDA Growth

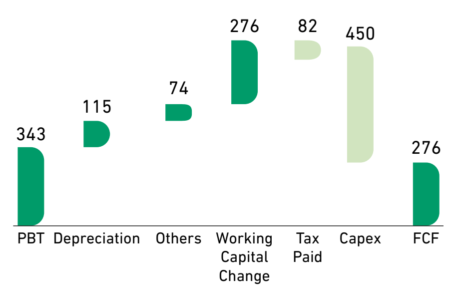
34% PAT Growth

33.4% ROCE%

Capital Allocation and Dividend Policy

Another highlight of the year was strong cash generated from operations of ₹ 726 Crores in FY 22-23 which was used in funding the capex of ₹ 450 Crores & reduction in Gross Debt of ₹ 275 Crores resulting in further strengthening the balance sheet with Gross Debt to Equity ratio at just 0.14x. There is huge focus on cash conversion cycle & working capital management. Working Capital days stood at negative 2 days at end of March 23.

Free Cash Flow (FCF) (₹ Crore)



*Free Cash Flow: Cash from Operating activities Less capital expenditure

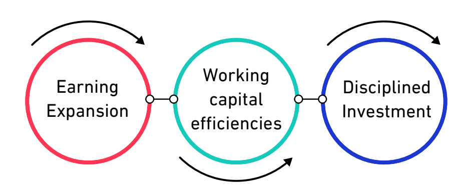
Strong balance sheet, high liquidity & enough credit lines from banks enables us to direct growth capital swiftly and enables us to invest in the long-term development of our business for long term value creation

The policy behind capital allocation is to balance growth investments, shareholder returns, sound financial structure & long-term value accretion. The guiding principle for any capex commitments on new project & backward integration should have a target EBITDA payback period of not more than 4.5 years & 2 year respectively along with target Pre Tax ROCE of 30%+ & Post tax ROE of 23%

With the Strong capital allocation discipline, effective working capital management & earnings improvement we were able to expand the ROCE and ROE to 33.4% and 22.4% respectively, as of March 31, 2023 and we are sure that this will continue to grow in the next years due to higher profits and working capital efficiency

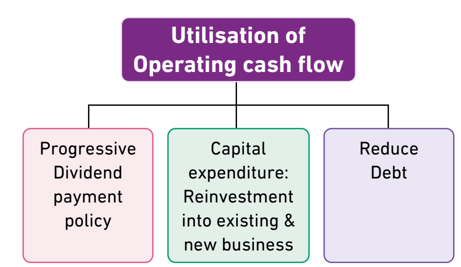
We maintain progressive dividend policy & believe that making investments to achieve growth and increasing profitability will increase corporate value and lead to greater returns to shareholders

The Company's credit ratings of 'ICRA AA-' for long-term debt, 'ICRA A1+' for short-term debts, and 'ICRA A1+' for commercial papers indicate a strong credit profile and a sturdy balance sheet, all of which are definite positives for the Company's long-term growth trajectory.



Capital allocation Policy

Parameters : Core of electronics + Scalability + Own Design Manufacturing & Backward Integration



Environmental, Social and Governance

We realise the importance of ensuring that the future growth is inclusive and does not come at the cost of the environment. We believe that to generate superior long-term value, we need to look beyond just profits and care for all our stakeholders – our consumers, customers, suppliers & business partners, people, shareholders and above all, the planet and society. We have in fact integrated sustainability into our business strategy and together with our robust governance mechanism we are working towards ESG (Environmental, Social and Governance) goals to lead change. We developed a materiality matrix to identify and prioritize key areas for action. The governance of our ESG efforts has been thoroughly reviewed by both the ESG committee and the Board. The ESG Working Group has been responsible for implementing, monitoring and reporting on our ESG activities. We have established medium- and long-term goals and have reported our ESG performance in our annual report to ensure transparency and provide stakeholders with a comprehensive evaluation of our endeavours

Our framework continues to be guided by globally accepted ESG principles such as United Nations Global Compact and UNSDGs as well as ESG disclosures published in line with several globally accepted disclosure standards

We have successfully increased our renewable energy share of our total energy usage through a comprehensive strategy that includes long-term initiatives, and strategic partnerships by installing solar panels, reducing our reliance on conventional energy sources

Our commitment to prioritize our people remains unwavering with strong emphasis on the development of our workforce & nurture their growth and advancement. Additionally, we have invested in various areas, including skill development, environmental sustainability, education, and healthcare, as part of our dedication to making a positive impact on our communities

The company's robust operating model, governance structure, effective risk management and ethical practices represent a strong & sustainable platform for long-term stakeholder value-creation. With an aim to ensure that the company follows the highest standards of governance and compliance while growing, the Company has set up various committees to monitor and review performance regularly. The committees comprise of independent directors & management to identify and mitigate potential risks and take timely measures, develop an effective business strategy and leading the company towards its vision.

Takeaways for the readers and the way forward

We are confident in our capacity to sustain substantial revenue & profit growth in future through holistic portfolio expansion, which will create value for all our stakeholders.

Our foremost objective continues to be to be a part of India's long-term growth story and to ride the country's robust consumption narrative & Make in India initiative to achieve industry-leading growth. As we mark the end of a challenging period, I would like to extend my gratitude to all of our Board Members, senior leadership, team members, and stakeholders who have continued to trust us and been a part of our journey to propel your company to new heights. Let us continue on this exciting road to the next level of growth in fiscal year 23-24 and beyond.

Mr. Saurabh Gupta

Chief Financial Officer (CFO)

CHIEF LEGAL COUNSEL & GROUP COMPANY SECRETARY (KMP) MESSAGE

"At Dixon, we believe that enabling sustainable operations is essential for creating long-term value for the business and other stakeholders of the company.

Dear Shareholders,

For Dixon Technologies (India) Limited, the focus has always been on ensuring Corporate governance and creating and sustaining a deep relationship with all the stakeholders. The norms and processes of corporate governance reflect our commitment to make timely disclosures and share accurate information regarding our financial and operational performance.

Our human capital is the cornerstone of our success at DIXON. We are proud to announce that we have been honoured as winners of the "North India Best Employer Brand Awards 2022" by the jury council of the World HRD Congress & World Leadership Congress and a great place to work till November, 2023 . Through our efforts, we have prioritized employee experience, professional growth, and compliance standards at Dixon Technologies.

Sustainable operations

At Dixon, we believe that enabling sustainable operations is essential for creating long-term value for the business and other stakeholders of the company. For us, sustainable operations are defined as conducting business operations in a manner that has a minimal negative impact and maximum positive impact, enhances efficiency, and promotes the well-being of our people and community members where we operate. In this report, we will comprehensively communicate about our performance on ESG parameters and our targets for the upcoming years. I am pleased to share with you all that this year we have formally started our ESG journey by setting dedicated ESG vision and targets for the company. We, as a company, are quite considerate of the rapid rate of climate change and its associated impacts. As a result, as part of our responsibility we have set the target of carbon neutrality in our operations to be achieved by 2030 and aim to persistently reduce the greenhouse gas emissions resulting from our operations. In line with this, we will continue our efforts of reducing the reliance on fossil fuels and continually increase the contribution of renewable energy sources in the total energy mix. Furthermore, we understand that reducing the negative impacts on the environment is essential for the well-being of the planet, people, and the sustenance of the business. Resultantly, we aim to focus our efforts on other elements of the environment as well, such as ensuring water, waste, and biodiversity management.

People and the community are the important stakeholders of the company and an essential driver of the company's growth and success. Thus, they are inherently included in the overall strategy of our company.

Commitment to Compliance

At Dixon Technologies, we are also committed to upholding the highest standards of compliance with laws, regulations, and internal policies. We recognize the importance of strict adherence to legal requirements and ethical practices in our highly regulated industry. Compliance is not just a legal obligation it is a core value that guides our decision-making and ensures the sustainability and reputation of our company.

To reinforce compliance, we have established robust governance structures and processes, including regular training programs, internal controls, and monitoring mechanisms. We proactively stay updated on changes in laws and regulations that affect our industry and promptly adapt our practices accordingly. Our dedicated legal team plays a crucial role in supporting our compliance efforts, providing guidance on various legal matters, and ensuring that our business operates within the framework of the law. We also resolve legal disputes in a fair and timely manner.

Furthermore, our legal team is committed to protecting and enhancing shareholder value. We conduct thorough legal due diligence to minimize risks and maximize opportunities associated with strategic decisions, investments, and business transactions. Our investments are protected, and we make informed decisions aligned with our long-term growth objectives.

We have also undertaken a comprehensive reassessment of our internal systems and processes to align them with benchmarked standards of good governance. This exercise has allowed us to identify areas for improvement, address any gaps, and reinforce our commitment to ethical conduct and responsible business practices.

Corporate social responsibility

At Dixon, we understand that achieving success also means embracing accountability towards the community and society. We prioritize environmental protection and the well-being of the communities in which we operate, while generating value for all stakeholders within the socio-economic framework. Our steadfast dedication to creating a positive impact ensures the welfare, empowerment, and advancement of all segments. Through our effective corporate social responsibility (CSR) initiatives, we consistently uplift communities and exceed expectations, driven by our commitment to the greater good.

At Dixon, we are driven to enhance the quality of life. Our endeavors, such as the development of rural infrastructure , contribution in healthcare and government-aided schools, have positively impacted numerous individuals from economically disadvantaged backgrounds. We are deeply committed to promoting social and economic advancement by fostering education, providing vocational training, and creating diverse opportunities for development, ensuring long-term prosperity and well-being.

Furthermore, we believe in the principle of transparency and accountability and thus have been reporting on our overall performance year on year basis in our integrated report. From this year onwards, as per the SEBI mandate, we have also started reporting on our ESG parameters in the Business Responsibility and Sustainability Report (BRSR). We are pleased to share our first BRSR with our stakeholders from this year onwards.

In conclusion, I would like to express my sincere appreciation to our employees for their dedication and resilience, which have been instrumental in our achievements. I extend my gratitude to our esteemed shareholders for their trust and support, which have contributed to our progress.

Looking ahead, we remain committed to fostering a work environment that nurtures talent, encourages innovation, and values diversity and inclusion. We will continue to invest in our employees' well-being, professional development, and growth opportunities. With your continued support, we are confident in delivering exceptional value to all stakeholders and achieving sustained success in the years to come.

Regards,

Mr. Ashish Kumar

Chief Legal Counsel & Group Company Secretary (KMP)

CONSUMER ELECTRONICS

Market standing

First

Indian ODM Company to receive Sub-Licensing rights for Android and Google TV
First Company to get TIZEN license

Largest

LED TV Capacity in India to address 35% of the market requirement

Production Capacity
(in mn units p.a)

6

FY 2022-23

Our offerings

- LED TV (24" to 98")
- Smart TVs, Monitor, IFPD Commercial displays digital signage
- PCB & LCM panel assembly

Growth strategies

- We continue to focus on strengthening our ODM and Joint Development Manufacturer (JDM) business with existing customers.
- Acquired ODM Sub-Licensing rights for Android and Google TV, enabling us to further penetrate into the smart TV segment
- To further improve our quality, lead time and profitability, we continue to backward integrate and plan to commission injection molding services, LED bar into the segment
- We are also exploring opportunities to diversify our product range by offering commercial displays used for public advertising and information
- Integrated TV with 6 integrated production lines, 5 SMT lines and 6 LCM lines
- LED bar assembly
- Injection moulding Shop

Financial highlights for FY 2022-23

35%
Share in revenue

26%
Operating profit Contribution

(17%)
YoY growth in revenue

89%
RoCE

LIGHTING SOLUTIONS

Market standing

4th Largest

LED Lamps manufacturer in the world

India's largest

ODM player in lighting solutions

2000+
variants of LED bulbs

50%
Manufacturing market share in LED lamps

Production Capacity of LED Lamps
(in mn units p.a.)

300

FY 2022-23

Production Capacity of LED Battens
(in mn units p.a.)

50

FY 2022-23

Revenue from ODM

90%+

FY 2022-23

Production Capacity of LED Downlighters
(in mn units p.a.)

18

FY 2022-23

Our offerings

- LED Lamps
- LED Battens
- LED Downlighters
- Drivers, Smart Lighting LED panels, Strip and Rope lighting

Growth strategies

- Expanding our portfolio to include strip and rope lighting and professional products
- Strengthening our leadership in smart lighting with launch of bluetooth mesh lighting products and expanding our range of wifi lighting.
- Growing our export business.
- Increasing backward integration and leveraging PLI for LED lighting components

Financial highlights for FY 2022-23

9%
Share in revenue

18%
Operating profit Contribution

29%
RoCE

HOME APPLIANCES

Market standing

0.6 million units p.a.
Production capacity of FATL

2.4 Million units p.a
Production capacity of Semi Automatic Washing machine

Largest
Washing Machine manufacturer in India

Wide
range of models offered with 160 odd models in SA and 100+ in FATL, catering to domestic as well as international customers

Our offerings

- Semi Automatic(SA)
- Fully Automatic Top Load (FATL)

Growth strategies

- Actively working to acquire more clients for our fully automatic washing machine segment
- We have a state of art testing laboratory which will be very soon extended to NABL laboratory
- We have started Dixon tool room and started manufacturing plastics moulds in house to cut down imports from china
- Increasing R&D investment to utilise state-of-the-art technologies for meeting changing consumer preferences

Financial highlights for FY 2022-23

9%
Share in revenue

21%
Operating profit Contribution

61%
YoY growth in revenue

30%
RoCE

30%
Manufactured market share of Dixon

MOBILE PHONES AND EMS

Market standing

Strong
manufacturing capabilities for 2G, 4G & 5G phones

First company
to get disbursement under PLI Scheme in the segment

Production capacity of features and smart phones (in mn units p.a.)

	Smart Phones	Feature Phones
FY 2022-23	60	32

Our offerings

- Feature & Smart phones
- PCB assembly

Growth strategies

- Focusing on adding more brands
- Expanding our manufacturing base to cater to the rising market demand
- Building an R&D team and a laboratory in Hyderabad to offer new and industry-leading products.

Financial highlights for FY 2022-23

43%
Share in revenue

33%
Operating profit Contribution

66%
YoY growth in revenue

31%
RoCE

15%
manufactured Market-share

SECURITY SURVEILLANCE SYSTEMS

Market standing

Largest

Manufacturer in the Indian security surveillance space

Exclusive

manufacturer for leading CCTV brands in India

Production Capacity of CCTV (in mn units p.a.)

12.4

FY 2022-23

Production Capacity of DVR (in mn units p.a.)

2.4

FY 2022-23

Our offerings

- Security Camera
- DVR

Growth strategies

- Given the growing demand for security surveillance systems, we are expanding our capacity.
- We have a fully integrated plant in Tirupati that enables us to offer quality products at competitive rates

Financial highlights for FY 2022-23

4%

Share in revenue

3%

Operating profit Contribution

24%

YoY growth in revenue

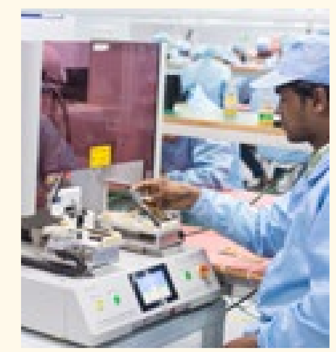
39%

RoCE

25%

Manufactured market share

EMERGING BUSINESSES

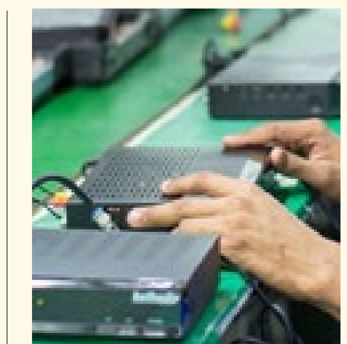


Telecom & Networking Products

- Our telecom business in collaboration with Bharti group through a 51:49 JV and we producing Telecom CPE devices in large quantities.
- We are now enhancing installed capacity to 8 million units p.a
- We shall be starting 5G device production from new factory
- We have also achieved the threshold of Capex and minimum revenue of 1st year under the PLI scheme

4 million units p.a.

Production capacity of GPON ONT

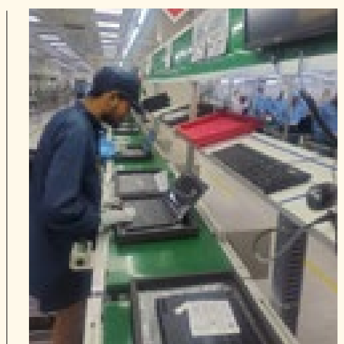


Set top box

- We have set up a large scale manufacturing facility for production of set-top boxes and are currently catering to all major Indian brands.
- During the year under review, we have bagged a very large order of HD Zapper set-top box and have also won orders for Android set-top boxes in partnership with a global ODM.
- Given the potential in this segment, we seek to expand our footprints to international markets as well.

8 million units p.a.

Production capacity of set-top boxes



IT Hardware

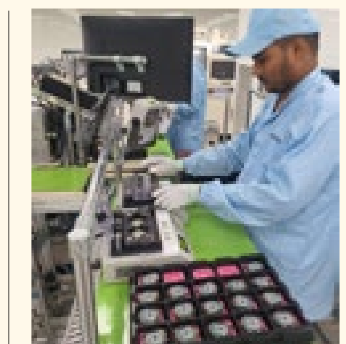
As a beneficiary of the PLI Scheme for IT hardware products consisting of laptops and tablets, we manufacture these products through this segment. Along with catering to the needs of the domestic market, we are consistently exploring manufacturing opportunities for IT hardware products for various leading global brands.

0.6 million units p.a.

Manufacturing capacity of IT hardware segment

Products offered

- Laptops
- Desktop
- Tablets



Wearables and hearables

In association with Imagine Marketing, we are designing and manufacturing wearables and hearables including TWS and neck bands. With rising demand for wireless and connected devices, we have set up a new facility for manufacturing Bluetooth speakers and smart watches. Besides, we plan to introduce surface mount technology (SMT) for PCB.

36 million units p.a.

Production capacity

For this segment we are manufacturing TWS and Neckbands for BOAT brand.

OUR STRATEGY

STAKEHOLDER ENGAGEMENT

TO FOSTER TRUST AND ENHANCE OUR REPUTATION AS A CONSIDERATE, TRUSTED, AND SUPPORTIVE ORGANIZATION, WE MAKE A COMMITMENT TO ADDRESS THE CONCERNS AND SUGGESTIONS OF OUR STAKEHOLDERS. WE RECOGNIZE THE IMPORTANCE OF ENGAGING WITH THEM IN ORDER TO MAKE WELL-INFORMED DECISIONS AND MAINTAIN POSITIVE RELATIONSHIPS. THIS ENGAGEMENT IS CRUCIAL TO OUR MISSION OF UTILIZING RESEARCH TO ADVANCE THE COMMUNITY AND BENEFIT OUR STAKEHOLDERS.

Our primary goal is to safeguard the interests of our stakeholders and ensure ongoing value-creation in the short, medium, and long terms. By prioritizing the needs of our partners, we aim to establish collaborative relationships based on trust, adaptability, agility, and responsible growth.

This report combines financial and non-financial information to provide stakeholders with a comprehensive understanding of Dixon Technologies' strategy and approach for pursuing sustainable development objectives. It includes detailed business planning encompassing various sustainability initiatives, improvement plans, short and long-term goals, and relevant policies.

While developing our stakeholder engagement process, we took into consideration the following stakeholder groups:

Stakeholder Group

↓

Employees

Importance of Stakeholder Group

Employees are one of key stakeholders and an important asset to Dixon Technologies. All the achievements and progress that the company has made over the years is attributed to its dedicated workforce.

Stakeholder Group

↓

Government & Regulatory bodies

Importance of Stakeholder Group

They guide the Company on the existing laws and other regulations which the Company needs to adhere to while creating value.

Stakeholder Group

↓

Shareholders and Investors

Importance of Stakeholder Group

Shareholders & Investors are critical to the functioning of Dixon Technologies. They provide capital, expertise, and accountability to the Company. Moreover, by associating with reputed investors and shareholders, the Company can attract new investors and customers.

Stakeholder Group

↓

Customers/ Clients

Importance of Stakeholder Group

As a B2B business, customers/clients are essential to us since they are the ones who purchase the products and services that Dixon provides. Our customers/clients generate a large part of our revenue that sustains our businesses.

Stakeholder Group

↓

Suppliers, vendors, and Distributors

Importance of Stakeholder Group

Because of the nature of our business, vendors, and suppliers form an important part of the supply and value chain. They enable us to do our business in a more coordinated and sophisticated manner while working towards sustainable development.

Stakeholder Group

↓

Communities

Importance of Stakeholder Group

Nearby communities play an important role in the long-term success of the company as they enable us to get the Social License to Operate. By building better relations with our Communities, we got better chances to improve their lives and create chances for employment for them.

Stakeholder Group

↓

Banks and other financial institutions

Importance of Stakeholder Group

The financial support received by Dixon Technologies from the Banks and other financial institutions helps in building a sustainable business model and improve credit rating.

Stakeholder Group

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Media

Importance of Stakeholder Group

To talk about our good work and products and services through advertisements and promotions, media plays a key role in making the company's valuable information reach investors.

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement process is further elaborated in the below section:

Shareholders and Investors

The fundamental component of our business persists to be investors. To increase value generation, we employ a variety of communication mediums. We interact with investors to solicit feedback and go over quarterly and yearly outcomes.

Key Concerns and Expectations
- Observing sustainable growth in revenues and profits
- Dissemination and communication of material information in a timely manner
- Regular dividend pay out
- Strong balance sheet
- Coherent Risk management
- Prompt problem solving

Mode of Engagement
- Annual general meetings
- Quarterly investor calls and presentation
- Annual report
- Press release
- Website updates
- Stock exchange releases
- Investor analyst meets

Value Created in FY 2022-23
- 42.92 EPS
- 22.40% ROE
- ₹ 3 Dividend per share
- ROCE 33.4%

Customers

Our consumers are invaluable assets and are critical to our long-term success. They rely on our infrastructure and expertise to provide end users with high-quality products. As a result, we aim to produce high-quality products that meet a diverse range of requirements.

Key Concerns and Expectations
- Updating regularly on new products and capabilities and operational efficiency
- Lead time
- Product Quality
- Products improvisation by value addition
- Competitive pricing
- Sensitive Information Privacy

Mode of Engagement
- One-on-one interactions
- Customer Meetings
- E-mails
- Feedback
- Mechanism Survey

Value Created in FY 2022-23
- Strengthening their business alliances with both domestic and foreign companies by diversifying their portfolios.

Communities

The beneficiaries of our CSR projects are part of our larger stakeholder family. Through our activities, we hope to improve the communities in which we serve. We interact with important stakeholders through a range of CSR initiatives and other community connection initiatives.

Key Concerns and Expectations
- Ensuring Social development
- Creating value for communities
- Environment-friendly practices
- Generating employment opportunities

Mode of Engagement
- Focus group
- Discussions
- One-on-one Interactions
- Media
- Website
- Through third parties like NGOs

Value Created in FY 2022-23
- CSR spend in FY 2022-23 ₹ 4.36 Crores across Dixon Group.

Business Partners and Suppliers

We depend on a variety of business partners daily for smooth and continued operations, including suppliers, lenders, and landlords. They serve as the base of our value chain and have a direct impact on our capacity to guarantee the timely supply of goods and services. They also affect our capacity to fulfil the demands and expectations of our clients.

Key Concerns and Expectations
- Contract-based management
- Timely payment
- Fair trade practices
- Quality, Cost & Delivery Improvement
- Technology sharing
- Fair commercial terms
- Partnering in new product development
- Rare to none fluctuations in delivery schedules
- Business avenue growth and improved ROI

Mode of Engagement
- E-mails
- Site Visits
- One-to-one Interactions
- Business partner survey
- Regular structure meetings

Value Created in FY 2022-23
- 100% on-time payment and Nil penalty charges

Employees

Employees are one of key stakeholders and an important asset to Dixon Technologies. All the achievements and progress that the company has made over the years is attributed to its dedicated workforce.

Key Concerns and Expectations
- Rewards based on performance
- Growth opportunities
- Regular remuneration payment
- Conductive working environment

Mode of Engagement
- Frequent internal communication
- Employee engagement initiatives
- Training and development programs
- Employee satisfaction survey

Value Created in FY 2022-23
- 80% Retention rate
- ₹ 638454 spend for training and development initiatives
- 1008 man days of training conducted

Regulatory Bodies & Government

To stay updated on regulatory developments and to seize chances to add to the creation of norms and rules, we collaborate with regulatory agencies.

Key Concerns and Expectations
- Disclosing business information properly
- Compliance with industry norms, laws and regulations
- Employment generations
- Being a part of various industry forums and meets
- Regular tax payments
- Communicating the compliance status regularly

Mode of Engagement
- Reports
- One-on-one Interaction
- Events
- E-mails
- Letters

Value Created in FY 2022-23
- Generating employment opportunities
- Contributing to India becoming a "self sufficient" and export hub in electronic sector
- Regular tax payment

BUSINESS MODEL

INPUTS

Financial Capital

170437 Market Capitalisation (₹ in million)

1450 Long term borrowing (₹ in million)

12850 Net worth (₹ in million)

Manufactured Capital

4500 Capex (₹ in million)

21 Manufacturing units

1 Corporate Office

Intellectual capital

49 Employees in R&D

3 Number of R&D centres

3 years Average experience of the R&D team

Human capital

2844 Total permanent employees

0.63 Spent on training (₹ in million)

245 hours Training

Social and Relationship Capital

₹ 43.6 million CSR expenditure

367727 Shareholders

Natural Capital

Energy

Land

Water

OUTPUTS

Financial Capital

5180 million EBITDA

2560 PAT

0.14 Debt-equity ratio

2.1% PAT margin

Manufactured Capital /Capacities (million units p.a.)

6 LED TV

12.4 CCTV

8 Set-top-box

50 LED batten

FATL-0.6
SA-2.4
Home Appliances

300 LED lamp

2.4 DVR

60 Smart phones

32 Feature phones

4 Telecom & Networking

0.6 IT hardware

18 LED Downlighters

Intellectual capital

Pioneering New products and segments such as wearables and refrigerators

Constant Investment in implementing state-of-the-art technologies

Human capital

13% YoY increase in permanent employees

12% YoY increase in contractual employees

1008 hours of training and development

Social and Relationship Capital

360 degrees solution offered to customers

Hundreds of children and senior citizens benefitted through our CSR activities

Natural Capital

ISO 14001:2015, ISO 9001:2015 Certified company

Limits in the use of hazardous materials like Mercury(Hg), Lead (Pb), Hexavalent Chromium (Cr6), Polybrominated Diphenyl Ether(PBDE). Cadmium (Cd) and Polybrominated Biphenyls (PBB).

OUTCOMES

Financial Capital

- Investments with sustained returns
- Robust balance sheet
- Constant development of value for stakeholders
- Continuous growth of total assets
- Better control of cash flow

Manufactured Capital

- Collaborating with major brands to progress into export market.
- Reduced Operational costs
- Growing export
- Best quality goods
- Achieving better integrity, infrastructure and safety measures
- Increasing operational efficiency
- Backward integration

Intellectual capital

- Achieving operational excellence through innovative processes
- Increasing digitization
- Introducing new and enhanced products on a regular basis.

Human capital

- Developing skills through different training programs
- Enhancing employee wellbeing and safety
- Ensuring that everyone has a equal opportunity
- Skilled staff along with a moral workplace atmosphere
- High retention rate

Social and Relationship Capital

- Encouraging literature and education
- Created opportunities for employment
- Constant interaction with customers and stakeholders.

Natural Capital

ISO 14001:2015, ISO 9001:2015 Certified company

To ensure environmental sustainability, introducing various programs

Reduced dependence on non s.

SDG

SUSTAINABILITY AT OUR CORE

Dixon prioritizes sustainability in its business strategy and operations, aiming to provide durable and environmentally friendly solutions to customers. Dixon believes true sustainability involves excelling in environmental, social, and financial aspects. Integrating sustainability into the overall business strategy is crucial for ecological preservation and future-proofing. Dixon aligns with global sentiments on sustainable livelihoods and adheres to stringent environmental norms. They actively promote environmental responsibility among employees and stakeholders, emphasizing ESG principles. The company engages independent environmental specialists to conduct thorough third-party audits of their environmental safety measures. Dixon's integrated manufacturing model effectively minimizes waste by utilizing all generated by-products. Dixon aims for robust and sustainable growth by focusing on environmental and energy concerns. Sustainability is a core component of their strategic pillars, with a strong emphasis on ESG matters. They diligently implement their sustainability policy under the guidance of their Board of Directors, prioritizing corporate governance standards.

Sustainability framework

We have introduced the ABSTRACT framework to advance the integration of ESG considerations throughout our business system, with a focus on broader and deeper implications. Our ABSTRACT framework positions sustainability as an essential component of our business strategy, encompassing a comprehensive approach that involves all stakeholders. This includes the society we serve, the planet, our customers, suppliers, investors, and employees.

By addressing the environmental, social, and governance (ESG) issues that promote fair economic opportunities and respect for the planet's natural boundaries, we are actively building a better future. Our goal is to ensure the resilience and relevance of both our people and our group companies for years to come, fostering a culture of trust, empowerment, and progress.

Through the ABSTRACT framework, we aim to develop and implement industry leading ESG policies and strategies. This will involve integrating ESG concepts at all levels of our organization, across each business line, and within every investment strategy. By embedding ESG considerations throughout our operations, we are committed to promoting sustainable practices and making a positive impact on society and the environment.

A	B	S	T	R	A	C	T
Advancing Sustainable Technological Innovation	Building Trust through Quality	Strengthening Employee Health & Safety	Transforming Communities through Philanthropy	Responsible Production Practices	Advancing to Responsible Supply Chain	Combating Climate Change and Emissions	Timely and Effective Customer Support
Driving **innovation** to develop sustainable products, technologies, and solutions that address environmental and social challenges	Ensuring **product quality and reliability** to build trust among customers and stakeholders.	Prioritizing the well-being and safety of employees by implementing robust **health and safety** measures and promoting a positive work environment.	Strategic **philanthropic initiatives** to drive positive and lasting change in communities, focusing on education, healthcare, and social well-being.	Implementing sustainable & environment-conscious production practices **to minimize waste, pollution and resource consumption.**	Ensuring **responsible practices throughout the supply chain**, including ethical sourcing, fair labour, and environmental sustainability.	Taking decisive actions to **reduce GHG emissions, promote renewable energy adoption and mitigate the impacts of climate change.**	Providing **prompt and efficient customer support** to address inquiries, and concerns, and to ensure a positive customer experience.
Focus Capital: Intellectual, Manufactured	Focus Capital: Manufactured	Focus Capital: Human, Social, and Relationship	Focus Capital: Social, and Relationship	Focus Capital: Natural	Focus Capital: Manufactured Social, and Relationship	Focus Capital: Natural	Focus Capital: Social, and Relationship

OUR MATERIALITY ASSESSMENT

WE CONDUCTED A MATERIALITY ASSESSMENT EXERCISE TO IDENTIFY THE TOPICS MOST CRITICAL AS PER OUR STAKEHOLDERS AND PLAY A CRITICAL ROLE IN OUR VALUE CREATION MODEL.

Materiality approach

Identification of stakeholders

Stakeholder groups are identified- investors, customer and employees were considered here.

Evaluating standards & framework

Review of internationally renowned standards/ framework- SASB, MSCI and BRSR(essential indicators)

Online Materiality Survey

Online surveys were conducted for the selected stakeholders in order to capture their materiality preference.

Diagnosis Assessment

Assessment of the identified material issues - as per peers and stakeholders preference - and scoring is carried out.

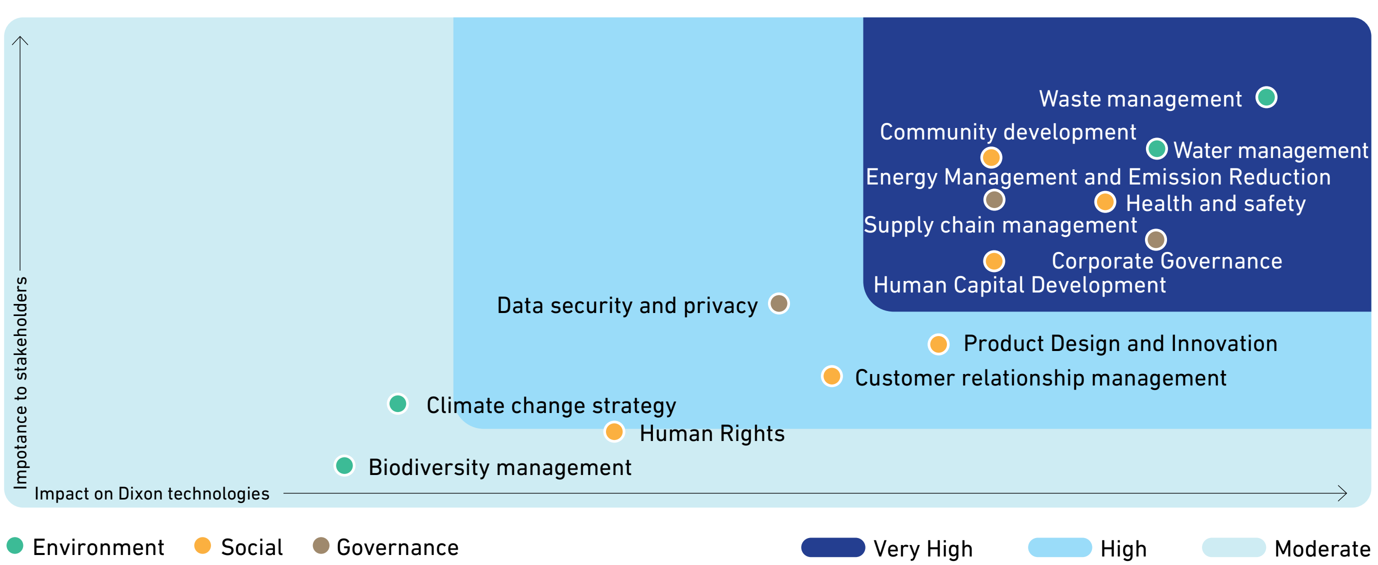
Materiality Mapping

The final scores are mapped as per DTIL and other stakeholders, a scatter plot is derived which shows the important material issues for DTIL.

Final Materiality Matrix

The materiality matrix is finalized.

Materiality matrix



Material topics

Waste Management

SDG

KPI:

- Waste Managing Strategy,
- Packaging Waste

Waste management refers to systematic handling of waste generated during the manufacturing process and continually improve the product design to reduce end-of-life waste generation of the manufactured products. It includes the complete process starting with collection of waste at source to storage, transportation and safe disposal or enabling the recycling of the waste materials and bringing it back the loop.

We are committed to reduce the environmental impact caused by waste generated from our operations and products; for which we have implemented the usage of recyclable products and innovative alternatives to ensure optimal product utilization and cause minimum wastage.

Water Management

SDG

KPI:

- Water Withdrawal
- Water Discharge
- Groundwater Recharge

Water management refers to adoption of such activities and practices that ensures safe, sustainable and optimal use of water resource during the operational activities, including the manufacturing process, while also promoting the conservation and protection of the water resource.

The company is very persistent in reducing its water consumption and reduce its dependence on natural resources; for which several water conserving methods, like rainwater harvesting, have been adopted at various plant locations. Moreover, the Company is striving towards reducing its water intensity by taking several initiatives from time to time.

Health and Safety

SDG

KPI:

- Occupational Health and Safety Practices
- Non-occupational Health and Safety Programs

Health and Safety, also known as occupational health and safety refers to providing safe and healthy workplace to the workforce. It involves establishment of effective and robust health and safety management system in the organization. The management includes identification and management of potential hazards in an effective manner.

The company ensures the health and safety of each of its employee, by providing a healthy and safe working environment and providing proper training and accident prevention mechanisms.

Community Development

SDG

KPI:

- Engagement with local communities
- Social well-being
- Community Investments/ CSR initiatives

Community development refers to continual engagement with the community members and carrying out activities and projects with the objective to uplift the socio-economic well-being of the community members.

The company is committed to make substantial improvements in the social framework of the nearby community, for which the Company on a continuous basis undertake welfare strategically designed CSR projects throughout the year.

OUR MATERIALITY ASSESSMENT

Human Capital Development

SDG

KPI:

- Employee well-being
- Diversity and Inclusion
- Learning and Development

Human Capital Development refers to investing in enhancement of the skills, abilities and overall development of the workforce.

As we are a people-oriented company, we focus on employee engagement, employee development programs, knowledge and skill upgradation and also inclusivity.

Corporate Governance

SDG

KPI:

- Code of Conduct and Ethics
- Transparency in Disclosures
- Risk Management

Corporate governance refers to conducting the business operations ethically, responsibly, with integrity and in compliance with the legal provisions. It also includes ensuring transparency and accountability within the organization.

The company adopts best practices to ensure compliance and corporate governance, which reflects our commitment to be a law compliant organisation and make ethical and timely disclosures for the public and ensures transparency.

Data Security and Privacy

SDG

KPI:

- Information Security and Control System

Data security and privacy refers to establishing a robust information security and control system to ensure the safe usage of data collected by the organization and protecting the unauthorized access, breach and theft of data.

The company takes steps to ensure the privacy and data security of users. The Company not only aims to protect the information of its business partners and employees, but also to prevent any risks that may threaten our company.

Energy Management and Emission Reduction

SDG

KPI:

- Energy Efficiency
- Energy / Fuel Transition
- Emission Reduction

Energy management and emission reduction refers to optimizing the use of energy in the business operations and developing strategies to enable transition to renewable energy sources and reduction of greenhouse gas emissions.

Being an electronic manufacturer, we serve a specific energy saving duty as well as towards reducing emission, as it is apparent for our product development.

Product Design and Innovation

SDG

KPI:

- Process Innovation
- Usage of Technology

Product design and innovation refers to continually improving the designs and technology of the product to meet customer needs and enhanced user experiences.

We have always focused on sustainable technology, for which procedures and advancements are dedicated in order to achieve the aim of inclusivity and sustainable growth. The Company has a dedicated R&D centre that constantly works towards innovation and new product designs

Customer Relationship Management

SDG

KPI:

- Customer Engagement
- Customer satisfaction / feedback system

Customer relationship management refers to strategies and practices to manage the relationship with the customers with the objective to develop and maintain good and strong relationship with the customers.

Our Customers/Business partners are the core of our value creation. And fairness for our customers is critical to our company's long-term success.

Supply Chain Management

SDG

KPI:

- Supplier Assessment
- Responsible Sourcing

Supply chain management refers to carrying out activities in the manner that seamless movement of goods and services is ensured across the supply chain. It also includes procuring the goods and services in the manner which is ethical and sustainable.

The company has a responsible supply chain Management that encourage our suppliers to follow sustainable manufacturing in their business as well.

Human Rights

SDG

KPI:

- Fair labour practices / conditions
- Gender Equality
- Protection of Rights

Human rights refers to the rights provided to all by virtue of being human being and is recognized internationally. These rights are based on the principles of dignity, equality, and non-discrimination.

We value human rights and keep it as our core responsibility to uphold them as per the UN Declaration of Human Rights.

Biodiversity Management

SDG

KPI:

- Biodiversity Conservation
- Biodiversity Restoration

Biodiversity refers to variability and variety of living organisms inhabiting the planet. Biodiversity management refers to conducting business operations in the manner that biological resources are used optimally and promotes conservation and protection of biological resources.

Our environment and sustainability focus much beyond our business endeavours, as we very obviously depend on our natural resources for carrying out our business operations. We plan in conserving our biodiversity in the areas wherever our plants operate and could have an environmental impact. We strive to undertake our operations in such a way that it causes minimum harm to the nature and biodiversity.

Climate Change strategy

SDG

KPI:

- Climate Risk Assessment (Transition & Physical risk)
- Climate Risk Mitigation Plan

Climate Change Strategy refers to assessing the impact of business operations on climate change and vice versa and integration of climate consideration in the overall business strategy.

The company prioritizes several methods and procedures to reduce the detrimental consequences of global warming and climate changes such as planting trees initiatives. The company has from time to time continuously taken such climate conservation initiatives.

AWARDS AND RECOGNITION

CEAMA has conferred and awarded prestigious **'MAN OF ELECTRONICS Award 2022'** to our Vice Chairman & Managing Director - Mr. Atul Lall for his exceptional leadership skills and his contribution to the transformation of the Indian Electronics and Appliances Industry.

Dixon Technologies (India) Limited has been awarded as the **NORTH INDIA BEST EMPLOYER BRAND AWARD 2022** at the 17th Employer Branding Awards.

Certifications

Location	ISO 9001:2015	ISO 14001:2015	ISO 27001:2018	ISO 45001:2015	ISO 50000	ESD S20:20	RBA VAP
Washing Machine (Dehradun)	✓	✓					
Washing Machine (Tirupati)	✓	✓		✓			
AIL Dixon (CCTV)	✓	✓		✓			
Sec-63 (Mobile, Router, STB & Laptop)	✓	✓		✓			
Sec-60 (Mobile)	✓	✓	✓	✓	✓	✓	
Ludhiana	✓	✓					
TV/Monitor	✓	✓		✓		✓	✓
Dixon - Noida (B14&15)	✓	✓					
Dixon Noida (A163A)	✓	✓					
Dixon - DDN	✓	✓					
Dixon Noida C-33	✓	✓					
Sec-90 (Mobile)	✓	✓		✓		✓	

RISK MANAGEMENT

DIXON RECOGNIZES THE IMPORTANCE OF RESPONSIBLE OPERATIONS FOR THE LONG-TERM SUCCESS OF OUR BUSINESS. WE ARE COMMITTED TO MINIMIZING OUR ENVIRONMENTAL IMPACT, SAFEGUARDING CUSTOMER PRIVACY, AND UPHOLDING HUMAN RIGHTS AT ALL LOCATIONS OF OUR OPERATION. TO MANAGE THESE COMMITMENTS, WE HAVE IMPLEMENTED A COMPREHENSIVE RISK MANAGEMENT POLICY AND FRAMEWORK TO IDENTIFY AND ASSESS POTENTIAL RISKS ASSOCIATED WITH OUR BUSINESS OPERATIONS.

We rely on an effective risk management strategy to assess and mitigate these risks. The Company also from time to time conducts the Risk Management Committee meetings to assess the risks involved in the business and taking pro-active steps to mitigate such risks.

Our whistleblower policy complies with the SEBI (Listing Obligations and Disclosure Requirements) Reg. 2015 ("SEBI listing regulations). We encourage directors and employees to report any unethical activity, suspected fraud, or violations of our Code of Conduct. Our code of conduct emphasizes the importance of ethical behavior to foster a productive workplace. The policy also includes rules on confidentiality and discretion related to insider trading and sexual harassment.

We acknowledge the importance of periodically assessing the potential risks and threats associated with the Company's business operations. We understand that we are positioned at a quite a strategic position in the overall electronic manufacturing supply chain. A robust risk management system enables in timely identification of the risks and development of mitigation plan which safeguards the business against potential disruptions. In view of this, we have been continually taking steps to sharpen our risk management system.

Risk Management Framework

Resultantly, we have made risk management as integral part of our business strategy. We have formulated and implemented several corporate governance policies, most of which are approved by the Board. These policies clearly lay down the best of the ethical, corporate governance and legal standards, that we abide by while conducting our business operations. Further, we have formulated a standalone risk management policy which outlines the roles and responsibilities of every employee, management and the risk management committee in the effective risk management process. Further, we have established a robust Risk Management system which is led by our Vice Chairman & Managing Director and overseen by the Risk Management Committee and Board of Directors of the Company. Every half year a meeting of the Risk Management Committee is conducted, which is presided by our Vice Chairman & Managing Director and attended by the functional and plant heads of the Company. During the meeting, all the risks that the Company is prone to and may get potentially affected by, is discussed and reviewed. Broadly, we categorize all risks under six categories: strategic risks, operational risk, compliance risk, finance risk, sustainability risk and cybersecurity risk. Following risk identification, we analyze the risk on certain parameters to understand the likelihood, magnitude and impact of the risks which guides us into prioritization and developing a robust mitigation and response plan to prevent and effectively respond to the effects of the risks. Further, the Risk Management Committee and Board of Directors reviews updated risk management plan on timely basis.

Risk Management Plan

Strategic Risk:

Strategic risks of the Company include such risks or threats, which can potentially impact our ability to fulfill or long-term goals, objectives and targets, such as evolving geopolitical environment, volatility in the commodity markets, evolving technological and economic trends like recession, growing competition, etc.

Capitals Impacted

- Financial Capital
- Human Capital
- Social and Relationship Capital

Related Material topics

- Capacity utilization and Market presence
- Distribution Network & channels
- Customer relationship management and other stakeholders' delight

Risk response:

- Initiative taken to increase rural distributors.
- Assigned separate team for focusing on different manufactured products and markets
- Adopted Different Models for Different Channels (DMDC)

Operational Risks/Sectoral Risks:

Operational risks for the company include such risks and threats that arise due to the inadequate or poor internal processes and systems within an organization such as lack of trained workforce, product quality issues, inefficient processes etc.

Capitals Impacted

- Manufactured Capital
- Intellectual Capital
- Financial Capital

Risk response:

- Ensuring appropriate training to the persons responsible for customer engagement or recruitment of skilled employees.
- Providing adequate and regular trainings to the workforce on ensuring better quality of the manufactured products.
- Invest adequately in the research and development activities to continually enhance the product quality and process and product efficiency.

RISK MANAGEMENT

Compliance Risks:

Compliance risks refer to failure to comply with the applicable regulations in the jurisdictions of operation.

Capitals Impacted

- Intellectual Capital
- Human Capital
- Social and Relationship Capital

Related Material topics

- Responsible Digitization & technology use
- Brand Integrity and Salience

Risk response:

- Ensure strict adherence to all the applicable national and international regulations.
- Formulate policies to ensure the better governance of the company aligned with best-in-class governance standards and ensure adherence to it.

Financial and Reporting Risks:

Financial risks refer to such risks and threats that can potentially affect the financial health, stability and performance of the organization. Whereas reporting risk refer to disclosure of inadequate or misinformation on financial and non-financial parameters.

Capitals Impacted

- Financial Capital
- Intellectual Capital
- Social and relationship Capital

Related Material topics

- Corporate Governance
- Code of Conduct and Business Ethics
- Human Rights
- CSR
- Health and Safety
- Product Stewardship

Risk response:

- Ensure adequate and appropriate internal control system so that all process and data integrity is maintained.
- Disclosure of adequate and correct information on financial and non-financial parameters in compliance with the applicable regulations and accounting standards.
- Adequately and timely fulfillment of all financial obligations to avoid liquidity, credit or other related risks.

Sustainability Risk:

Sustainability risks refer to the negative impact of the company's operations on the environment and larger community members which can potentially impact the long-term sustenance of the company. It includes the pollution, natural resource scarcity, improper water, waste and biodiversity management etc.

Capitals Impacted

- Financial Capital
- Manufactured Capital
- Natural Capital
- Social Capital
- Human Capital

Risk response:

- Ensure safe management of the waste generated during the operations including e-waste.
- Ensure no untreated wastewater discharge
- Invest in impactful CSR activities

Cybersecurity Risks

Cybersecurity risks refer to the risk or threats which can potentially compromise the confidentiality, integrity and availability of the company's database and digital assets.

Capitals Impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital

Risk response:

- Ensure well-defined Data security governance structure
- Accredited with ISO 27001:2013
- Reviewing and updating policies according to ISO 27001:2013
- Adopt "Zero trust structure" to enhance security.
- Adopted Data Loss Protection (DLP)
- IPS, Web filtering, anti-virus implemented
- dByte- Daily awareness mails circulates in the organization.
- Proactive Analysis, Real time device monitoring, Reduce production loss etc. through SIEM & SOAR Solution

GOVERNANCE

BOARD OF DIRECTORS

Mr. Sunil Vachani
Executive Chairman

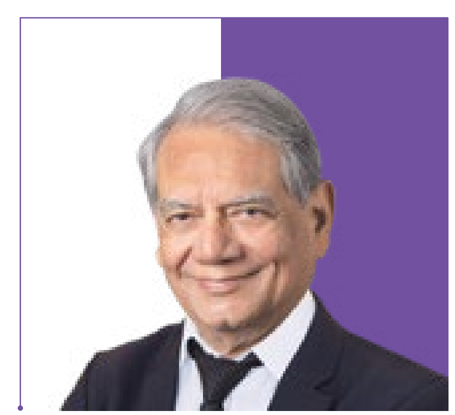
Mr. Atul B Lall
Vice Chairman & Managing Director

Mr. Manoj Maheshwari
Independent Director

Ms. Poornima Shenoy
Independent Director

Dr. Manuji Zarabi
Independent Director

Mr. Keng Tsung Kuo
Independent Director



Dr. Rakesh Mohan
Independent Director

Committees	Chairperson	Member
Audit Committee	●	○
Nomination and Remuneration Committee	●	○
Stakeholders Relationship Committee	●	○
Corporate Social Responsibility Committee	●	○
Risk Management Committee	●	○

MANAGEMENT TEAM

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B Lall
Vice Chairman &
Managing Director

Mr. Saurabh Gupta
Chief Financial Officer (CFO)

Mr. Abhijit Kotnis
President & COO
(Consumer Electronics)

Mr. Kamlesh Kumar Mishra
President- Mobile

Mr. Rajeev Lonial
President & COO
(Home Appliances)

Mr. Pankaj Sharma
President & COO
(Security & Surveillance)

Mr. Nirupam Sahay
President & COO
(Lighting Business)

Mr. Sukhvinder Kumar
Business Head-
Telecommunications

Mr. Ashish Kumar
Chief Legal Counsel &
Group Company Secretary

Mr. Arjun Singh
Chief Human Resource
Officer (CHRO)

Committees of the Board of directors

Audit Committee

The Audit committee supervises the company's financial reporting and pertinent disclosures to make sure the financial statements are thorough, credible, and well-founded. The Audit Committee also reviews the internal audits on a regular basis to make sure all internal control mechanisms are operating as intended and to keep the Board of Directors informed.

Corporate Social Responsibility Committee

The Composition of the Corporate Social Responsibility committee includes 2 executive directors and 1 non-executive director. The committee oversees the discharge of CSR obligations under Section 135 of the Companies Act 2013 and rules made thereunder. The Committee is responsible for inter-alia, formulating the CSR policy as provided under the Act and Rules, recommending the key activities to be undertaken by the Company and the amount of expenditure to be allocated to the CSR activities and monitoring its progress.

Risk Management Committee

The Company has in pursuance to the provisions of the SEBI Listing Regulations set up a Risk Management Committee. The role and terms of reference of Risk Management Committee covers areas as mentioned under SEBI Listing Regulations/and Section 178 of the Companies Act, 2013 as amended from time to time and rules related thereto/ other SEBI Laws/Regulations, and others laws as applicable from time to time, or as may be delegated by Board of Directors from time to time.

Nomination & Remuneration Committee

The Company has a Nomination and remuneration committee comprising 4 members which includes 1 Executive Director and 3 Non-Executive Directors. The Committee functions in compliance with the provisions mandated under the Companies Act 2013 and SEBI Listing Regulations 2015. The responsibility of the Nomination and Remuneration Committee inter-alia is to identify and recommend to the Board individuals from the Company who are qualified to become a Director or part of the Senior Management.

Stakeholder Relationship Committee

The Board has a Stakeholder Relationship Committee to look into various aspects of the stakeholder's interests. The Company also has a framework that outlines the different channel/medium of communication to be used to engage with the stakeholders of the Company to redress their grievances and incorporate their views and desires in the overall business strategy.

The detailed composition of the Committees is mentioned on
pg no: 47

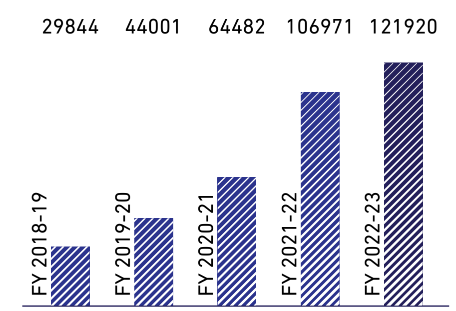
FINANCE CAPITAL

DIXON TECHNOLOGIES IS WORKING CONTINUOUSLY TO DEVELOP A STRONG FINANCIAL CAPITAL WHICH SUCCESSFULLY HELPS IN PROPER GROWTH OF THE COMPANY. WITH OUR EFFECTIVE AND EFFICIENT FRAMEWORK, IT HELPS IN CREATING OPPORTUNITIES AND LONG-TERM VALUE CREATION.

We acknowledge the significance of financial capital as a fundamental pillar of our organization. This capital represents the monetary resources, investments, and assets that enable us to drive growth, support operations, and generate value for our stakeholders. Through strategic financial management, we aim to optimize capital allocation, enhance profitability, and achieve sustainable financial performance. Our report provides insights into our financial strategy, key financial indicators, and initiatives aimed at ensuring the responsible and effective use of financial resources.

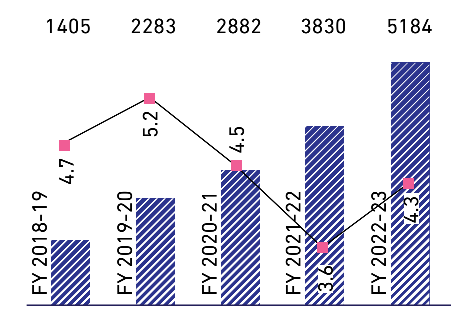
Revenue from operations

(₹ in Million)



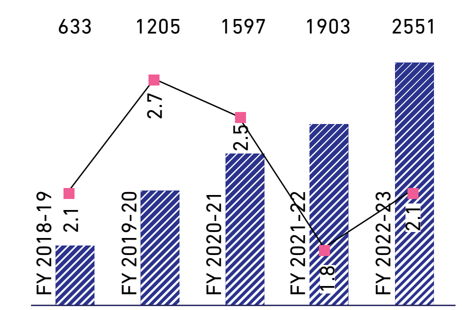
EBITDA | EBITDA Margin

(₹ in Million) (in %)



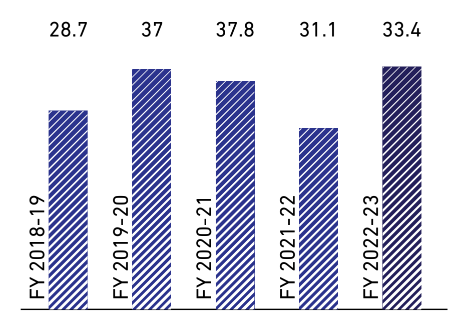
PAT | PAT margin

(₹ in Million) (in %)



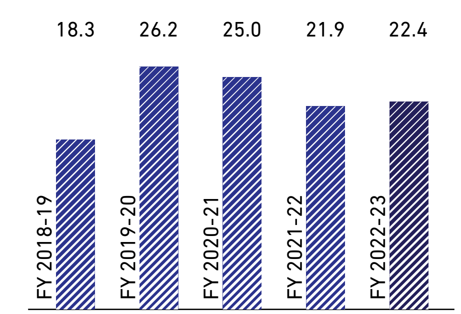
ROCE (Pre Tax)

(in %)



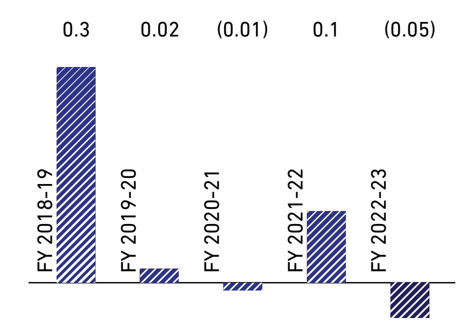
ROE

(in %)



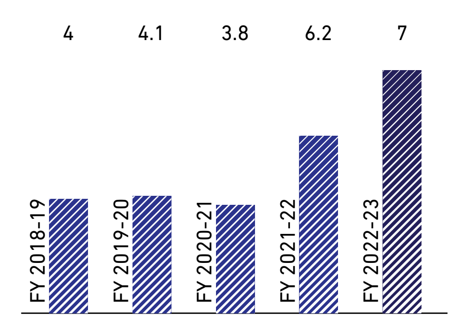
Net debt-equity ratio

(in times)



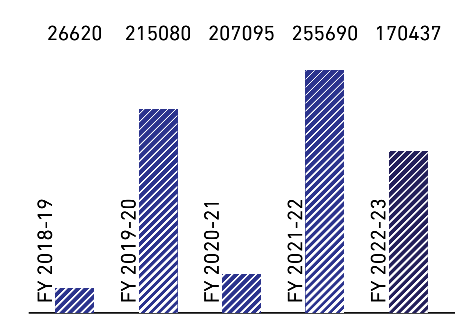
Dividend payout ratio

(in %)



Market Capitalisation

(₹ in Million)



Note:- the aforesaid figures as on consolidated basis except whenever mentioned.

MANUFACTURED CAPITAL

WE RECOGNIZE MANUFACTURED CAPITAL AS A CRITICAL ASPECT OF OUR OPERATIONS. MANUFACTURED CAPITAL ENCOMPASSES THE PHYSICAL ASSETS, INFRASTRUCTURE, AND TECHNOLOGICAL RESOURCES THAT ENABLE US TO DELIVER PRODUCTS AND SERVICES.

We place great emphasis on maintaining and improving the quality, safety, and efficiency of our manufacturing processes. The report provides great insights on our investments in infrastructure, upgrades to our facilities, and initiatives focused on optimizing resource utilization.

Definition

Manufactured Capital is the tangible assets owned or leased by a company or organization which aids in production of goods and services. Primarily, man-made products forms parts of this capital such as buildings, machinery, plots, vehicles or any other infrastructural components that are used in the production of goods and services.

We are positioned at quite a strategic place in the supply chain of the electronics supply chain as we are manufacturing products to cater to the demand of some of the leading global brands across several product range including, manufacturing of laptops, mobile phones, lighting products, security systems, washing machines etc. Further, we are soon going to add refrigerators in our product portfolio. We are developing best-in-class products for various renowned brands worldwide. Our quality manufacturing facilities and strategic cost-planning has made us the largest Indian ODM player in the lighting category.

Our Presence

We have large manufacturing footprint spread across in most of the regions of the country. We have in total 21 operational units across Dixon Group and a few upcoming units in the coming months.

Manufacturing Excellence (talk about quality of products, skilled labour)

Dixon has been instrumental in facilitating India become the best in electronics manufacturing industry. We take pride in promoting "Make in India" scheme of Government of India. We aim to manufacture electronic products with both national and global footprint.

Our business is broadly categorized into two segments: Original Design Manufacturing (ODM) and Original Equipment Manufacturing (OEM).

Also, product line is quite diversified which includes communication devices like laptops, mobile phones, lighting solutions, Television, Washing machines, security systems, wearables and hearables, PCB for air conditioners etc. Our aim is to ensure manufacturing excellence across both the business segments. We, at Dixon, have been leveraging state-of-the-art technologies and skilled labour force to manufacture best-in-class products while ensuring cost-efficiency. One of our core ideas is "continual improvement" which is reflected through our operational activities. We understand that developing better quality products is essential to foster and maintain stronger client relationship. Our continuous endeavor to manufacture quality products while incorporating sustainability principles is responsible for the upward business growth.

We are positioned at a very strategic position in the electronics supply chain as we are designing and manufacturing products for some of the leading global brands in the electronics industry.

Process Efficiency

Manufacturing better-quality products efficiently is one of our competencies. Across our product segments we are ensuring the adoption of advanced technologies. We have always been at the forefront of adopting and integrating new and innovative systems of manufacturing to cater to the diverse demands of our customers. It has tremendously helped in increasing our time and cost-efficiency, while maintaining the quality of the products.

Cost Efficiency

We understand that cost-optimization is primordial to keep the business on upward growth trajectory. As a result, we have on a continuous basis undertaken several measures which enables us to do plan our cost related measures efficiently and effectively.

PLI Scheme

Production Linked Incentive (PLI) scheme of Government of India for manufacturing telecom and networking products, mobile phones, AC PCBs and LED bulbs, has been instrumental in realizing significant growth of the Company. The Scheme has helped the Company absorb and cushion some of the cost escalations that the industry is currently facing due to supply bottlenecks, increased freight and commodity prices. It has also provided us with an incentive to expand our operations and increase our capacity, while bolstering our commitment towards backward integration of our operations. Perhaps one of the most important benefits of the PLI scheme, in the long run, would be the incentivizing of a strong component ecosystem. The industry as a whole is heavily reliant on imports for sourcing its components. Hopefully, aided by the government incentives, we could potentially have a robust component ecosystem, which would further reduce operating costs.

Industry 4.0

Onset of fourth industrial revolution has significantly changed the way how electronic manufacturing industry functions as well as performs. It has resulted by the integration of advanced technologies like Internet of Things (IoT), big data and analytics, artificial intelligence etc. with the physical manufacturing processes to improve efficiency, productivity and flexibility. Industry 4.0 is the future of the industry and thus it becomes significant to adapt to the emerging changes.

We, at Dixon are responding proactively to these changing trends and have been increasingly adopting digital technologies in our manufacturing processes to provide best-in-class products to our customers

NATURAL CAPITAL

RECOGNIZING THE IMPORTANCE OF NATURAL CAPITAL, WE HAVE INTEGRATED MATERIAL TOPICS RELATED TO ENERGY MANAGEMENT, EMISSION REDUCTION, CARBON MANAGEMENT, WASTE MANAGEMENT, AND WATER MANAGEMENT INTO OUR REPORT.

We understand that these aspects directly impact the environment and have far-reaching implications for the sustainability of our business and the planet. This section highlights our commitment to sustainable practices, outlines our efforts to minimize our ecological footprint, and showcase initiatives aimed at preserving and protecting natural resources.

Environment

Dixon has embraced a set of systems and procedures designed to promote responsible manufacturing practices, efficient resource management, and adherence to relevant laws. Our commitment to reducing our carbon footprint and making a positive environmental impact is reflected in various initiatives aimed at enhancing energy efficiency, incorporating renewable energy sources into our operations, managing water usage, and reducing waste generation.

Through diligent efforts, we strive to minimize our environmental impact and contribute to sustainable practices. This includes implementing measures to improve energy efficiency, ensuring a greater proportion of renewable energy in our energy mix, implementing water usage regulations, and actively reducing the amount of waste we generate.

By adopting these practices, we demonstrate our dedication to sustainable manufacturing and our responsibility to protect the environment. We continually seek innovative solutions and best practices to drive positive change and contribute to a greener future.

Effective energy management

We place a strong emphasis on energy conservation and recognize its critical role in mitigating the detrimental effects of global warming and climate change. To this end, we have established an energy management system that encompasses all aspects of our manufacturing processes and their interdependencies. Our aim is to continuously enhance our energy performance and meet the standards set forth by our energy management system.

We have implemented an energy policy and an energy apex manual to guide the implementation of energy management practices across our sites. These documents serve as comprehensive guidelines for effectively managing energy resources and driving energy efficiency throughout our operations. By adhering to these policies and manuals, we ensure consistent and responsible energy management techniques are employed across our organization.

Our commitment to energy management is rooted in the understanding that efficient energy use is essential for sustainable operations and environmental stewardship. We continuously seek ways to optimize our energy consumption, minimize waste, and promote a culture of energy consciousness throughout our company. Through these efforts, we strive to make a positive impact by reducing our energy footprint and contributing to a more sustainable future.

Energy conservation

In partnership with the Andhra Pradesh State Energy Efficiency Development Corporation Limited (APSEEDCO), we are actively engaged in developing eco-energy solutions for our Tirupati facility. To initiate this process, comprehensive energy audits were conducted across all production units. These audits enabled us to identify significant areas for energy reduction and perform a thorough cost-benefit analysis.

At Dixon, we are committed to energy conservation and employ various proactive measures to achieve this goal. One notable initiative is the installation of solar power generating systems in almost all of our factories. This renewable energy source helps us reduce reliance on traditional energy grids. Moreover, we have invested in energy-efficient appliances and maximized the utilization of natural light to minimize energy consumption.

To further enhance energy efficiency, we are upgrading our existing DG (diesel generator) units to operate in dual modes, allowing for the utilization of both diesel and PNG (piped natural gas). During scheduled breaks, we diligently turn off all machinery to reduce operating energy usage. Additionally, we have implemented the use of variable frequency drives (VFD) to optimize energy consumption in relevant equipment and processes.

By implementing these energy-saving measures, we are actively reducing our environmental impact and striving to create a more sustainable future. Our collaboration with APSEEDCO underscores our commitment to exploring innovative eco-energy solutions and promoting responsible energy management practices.

9.5%

of Renewable energy in Total Electricity

25,80,518 kwh

Total renewable electricity consumption in FY23

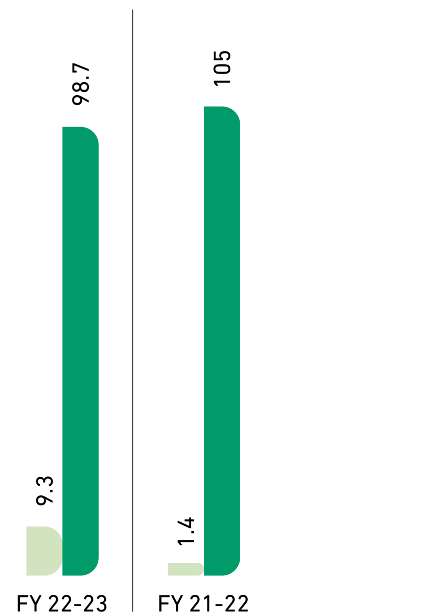
2+ Crore

Emission mitigated with solar usage

NATURAL CAPITAL

Judicious use of conventional energy

Total Energy Consumption*
(in TJ)



Total Renewable Energy Consumption

Total Non-Renewable Energy Consumption

To reduce our reliance on conventional energy sources, we have made significant strides in adopting renewable energy solutions, primarily through the installation of rooftop as well as open access solar panels. In this endeavor, we have embraced the OPEX (operational expenditure) model for the deployment of solar power systems. This approach allows us to leverage the benefits of solar energy while optimizing cost-effectiveness.

Furthermore, we are actively working on implementing more open access strategy for solar electricity across multiple plant locations. This strategy aims to enhance our access to solar power by leveraging external sources and establishing agreements that enable the procurement of renewable energy. By pursuing this approach, we are taking proactive steps to diversify our energy sources and promote sustainability.

Our investments in renewable energy, particularly in rooftop solar panels and the exploration of open access strategies, demonstrate our commitment to reducing our carbon footprint and embracing cleaner energy alternatives. These initiatives align with our long-term sustainability goals and contribute to a greener and more environmentally responsible future.

Emission Reduction

At Dixon, we fully recognize the importance of minimizing our environmental impact in our day-to-day operations. To achieve this, we have established a comprehensive approach that aligns with the Greenhouse Gas Protocol and enables us to identify and reduce our greenhouse gas (GHG) emissions. Here are the key steps we follow:

- Baseline surveys: We conduct thorough surveys to establish a baseline for our emissions and understand the current carbon footprint of our operations.
- Identifying KPIs and GHG targets: We set key performance indicators (KPIs) and establish specific GHG reduction targets to guide our efforts and monitor progress.
- GHG reporting: We maintain regular reporting practices to track our emissions and ensure transparency in our environmental performance.
- Exploring alternate energy sources: We actively explore and implement alternative energy sources to reduce our reliance on fossil fuels and minimize carbon emissions.
- Reducing GHG offsets: We take proactive measures to reduce GHG offsets by implementing energy-saving initiatives and optimizing our operational efficiency.
- Measurement of carbon footprint: We regularly measure and assess our carbon footprint to gauge the effectiveness of our emission reduction efforts and identify areas for improvement.

*The said use of convectional energy is at standalone level.

BASELIN SURVEYS

We conduct thorough surveys to establish a baseline for our emissions and understand the current carbon footprint of our operations

IDENTIFYING KPIS AND GHG TARGETS

We set key performance indicators (KPIs) and establish specific GHG reduction targets to guide our efforts and monitor progress

GHG REPORTING

We maintain regular reporting practices to track our emissions and ensure transparency in our environmental performance

EXPLORING ALTERNATE ENERGY SOURCES

We actively explore and implement alternative energy sources to reduce our reliance on fossil fuels and minimize carbon emissions

REDUCING GHG OFFSETS

We take proactive measures to reduce GHG offsets by implementing energy-saving initiatives and optimizing our operational efficiency

MEASUREMENT OF CARBON FOOTPRINT

We regularly measure and assess our carbon footprint to gauge the effectiveness of our emission reduction efforts and identify areas for improvement

NATURAL CAPITAL

In addition to these overarching measures, we have implemented specific practices on our plant premises to ensure a reduced environmental impact:

- Mandatory PUC for any vehicle entry: We require all vehicles entering our premises to undergo mandatory Pollution Under Control (PUC) checks, ensuring that they meet emission standards.
- Conversion of HSD to PNG dual fuel connection across all Noida plants.
- Atomic sensors for lighting: We have utilized atomic sensors in our lighting systems to ensure optimal energy usage and reduce wastage in some of our plant and office locations. We strive to introduce the same across all plants and offices.
- Common transportation facilities: We provide common transportation facilities for all employees such as bus services thereby reducing individual commuting emissions.
- Enhancing solar capacity: We continuously expand our solar capacity to leverage renewable energy and decrease reliance on conventional power sources like coal and fuel.
- Quarterly analysis of stacks: We conduct regular analysis of our stacks to monitor and manage emissions from our industrial processes.

Mandatory Pollution Under Control (PUC) checks for every vehicle entry.

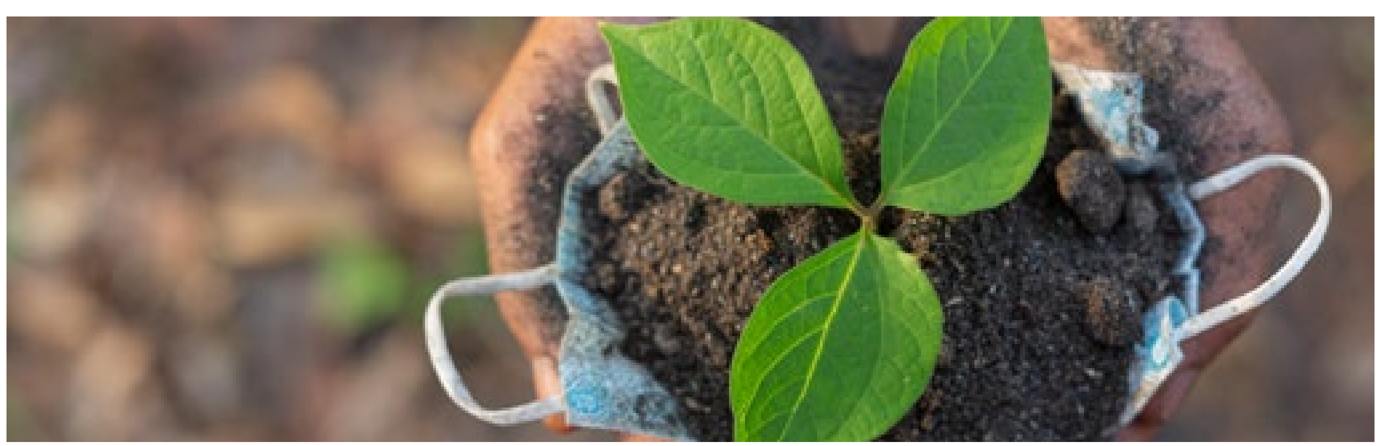
Utilizing atomic sensors in lighting systems to ensure optimal energy usage and reduce wastage.

Transportation facilities for all employees, encouraging carpool, to reduce individual emissions.

Expanding Solar capacity to leverage renewable energy and decrease conventional power source usage.

Regular analysis of stacks to monitor and manage emissions form industrial processes.

By implementing these measures, we are actively working towards minimizing our environmental impact, reducing emissions, and promoting sustainable practices throughout our operations.



Carbon Management

Our carbon management strategy primarily targets emissions falling within Scope 1 and Scope 2 categories. To effectively reduce our carbon impact, we have outlined specific initiatives:

- **Scope 1 emissions:** We are actively working towards converting our staff commute bus fleet from BS4 to BS6 standards. This upgrade will significantly reduce the carbon emissions associated with our transportation operations.
- **Scope 2 emissions:** Our strategy for controlling Scope 2 emissions revolves around enhancing energy efficiency and increasing the adoption of renewable energy sources for powering our operations. By implementing energy-saving measures and sourcing more renewable energy, we aim to reduce the indirect emissions associated with our energy consumption.

Total Scope 1 & Scope 2 Emissions*

(in tCO2e)

*The said figure are on standalone basis

In line with our commitment to sustainability, we are focused on building environmentally conscious infrastructure and enhancing energy efficiency across our existing infrastructure.

To accurately assess and manage our greenhouse gas (GHG) emissions, we rely on an experienced team that follows international protocols, including ISO 14064 Part 1 and ISO 14064 Part 2. These protocols provide a robust framework for calculating and reporting our GHG inventory, ensuring compliance with recognized standards.

By targeting emissions within Scope 1 and Scope 2, implementing energy-efficient practices, and adopting renewable energy sources, we strive to minimize our carbon footprint and contribute to a greener future. Our commitment to carbon management aligns with our broader sustainability goals and reflects our dedication to environmental responsibility.

Waste Management

We have an effective waste management system for hazardous and non-hazardous waste. We are deeply committed to reducing industrial waste through various strategies aimed at promoting recycling, responsible disposal, and waste prevention.

Recycling and responsible disposal: We prioritize the use of recyclable materials in our operations and actively promote recycling practices. To ensure proper disposal of industrial waste, we collaborate with licensed vendors who specialize in waste management. By working with these vendors, we guarantee that waste materials are handled responsibly, minimizing their impact on the environment.

Preventing landfill waste: We understand the importance of preventing waste from ending up in landfills. Through efficient waste management practices, we strive to minimize the amount of waste that is disposed of in landfills. Instead, we explore alternative options such as recycling, upcycling, or repurposing waste materials whenever possible.

Hazardous waste management: In our commitment to minimizing waste, we take particular care in managing hazardous waste. We actively work to remove hazardous components from our products and packaging processes, ensuring that they are handled safely and in compliance with regulations. To manage e-waste generated on our premises, we have partnered with Greeniwa Recycler Pvt Ltd, a reputable recycling company. Additionally, we collaborate with Steam Oil & General Industries to responsibly dispose of hazardous oil waste that arises from our manufacturing operations. These partnerships help us enhance our waste management practices and contribute to a cleaner and safer environment.

Through these initiatives, we strive to promote sustainable waste management practices, reduce our environmental footprint, and pave the way for a greener future.

Water Consumption*

(in kL)

NATURAL CAPITAL

At Dixon, we prioritize responsible water management practices to minimize our water consumption and mitigate any potential environmental impacts. We employ various strategies to ensure sustainable water usage and contribute to water conservation efforts:

- Wastewater treatment and reuse: We actively engage in wastewater treatment to ensure that the water we use is treated and recycled. Our treated wastewater is utilized for gardening and cleaning purposes, reducing the need for fresh water. By reusing treated water, we aim to offset the amount of water we consume and minimize our overall water footprint. We ensure that our wastewater treatment methods are ecologically friendly, generating no pollutants and classified as green. Additionally, we collaborate with a shared Sewage Treatment Plant (STP) to process wastewater and contribute to the maintenance of the green belt.

- Continuous monitoring: We closely monitor our water usage on a daily basis, including per-person water consumption, to identify areas where water waste can be reduced. Through the installation of digital water flow meters, we accurately measure and assess water consumption, withdrawal, usage, and discharge. This monitoring helps us understand our water-related impacts and enables us to implement targeted conservation measures.

- Reducing consumption: To promote water recycling, we have established effluent treatment plants (ETPs) in all our units. Sensor taps are installed in our restrooms to minimize water usage, and we utilize RO-rejected water for washing purposes. We repurpose reclaimed water for various applications within our operations, further reducing our dependence on fresh water sources.

- Rainwater harvesting: We recognize the importance of water conservation and the replenishment of groundwater. To supplement these efforts, we have implemented rainwater harvesting systems at some of our plant locations. These systems include rainwater collection pits and sumps, which help recharge the groundwater table. Rainwater harvesting not only aids in water augmentation and groundwater recharge but also plays a role in flood management. We also strive to reduce the run-off rainwater.

Through these comprehensive measures, we strive to be responsible stewards of water resources. By treating wastewater, monitoring consumption, reducing water usage, and implementing rainwater harvesting, we actively contribute to water conservation, sustainable practices, and the long-term availability of water supplies.

HUMAN CAPITAL

THE REPORT EMPHASIZES OUR COMMITMENT TO THE WELL-BEING AND DEVELOPMENT OF OUR EMPLOYEES. HUMAN CAPITAL ENCOMPASSES THE KNOWLEDGE, SKILLS, WELL-BEING, HEALTH AND SAFETY OF OUR WORKFORCE.

We prioritize initiatives focused on employee welfare, fostering a safe and inclusive work environment, and providing opportunities for growth and professional development. By prioritizing human capital, we aim to attract and retain top talent, foster employee engagement, and build a diverse and resilient workforce.

Health & Safety

At Dixon, we place a strong emphasis on the well-being and safety of our workforce. Our commitment is to achieve zero injuries and fatalities throughout all our operations, and we have established a robust safety framework to support this goal.

₹ 6,38,454

Spent on training programs organized

170

Women in workforce (permanent)

100+

Employee engagement programs

Zero

No. of accidents

Zero

LTIFR

To ensure the safety and health of our employees and prevent workplace accidents, we have implemented various measures and initiatives:

- **Performance measures and tracking:** We have developed performance measures to track the safety and health of our employees. This enables us to identify areas for improvement and implement necessary actions to maintain a safe working environment.
- **Safety training and exercises:** Throughout the year, we conduct simulated safety exercises, emergency preparation training, fire safety training, first aid training, ergonomics training, and electrical safety programs for our staff members and operators. These initiatives help ensure that our employees are well-prepared to handle potential hazards and emergencies in the workplace.
- **First-aid and fire-fighting teams:** Every unit within our organization is equipped with dedicated first aid and fire-fighting teams. These teams are trained to respond effectively in emergency situations, providing immediate assistance and ensuring the safety of our employees.
- **Compliance and reporting:** In accordance with legal requirements, we promptly report any accidents resulting in bodily injury or fatality to the relevant labor and administrative authorities. We maintain strict compliance with regulations to ensure the safety and well-being of our workforce.

By prioritizing employee safety and implementing comprehensive training programs, well-being initiatives, and emergency response measures, we are committed to maintaining a safe and secure work environment. At Dixon, we believe that the safety and health of our employees are fundamental to our success, and we continually strive to foster a culture of safety throughout our organization.

HUMAN CAPITAL

Diversity and Inclusion

Dixon is committed to promoting diversity and inclusion at the workplace. We are an equal opportunity employer and ensure that people are hired for their knowledge, qualifications, experiences and unique attributes they bring to the company. We prefer merit over other socio-economic backgrounds like gender, age, place of birth, religion, sexual orientation, and ethnicity. Also, while conducting the performance evaluation of our employees, all our employees are assessed based on their qualifications and performance during the evaluation period.

We believe that to strengthen the diversity and inclusivity in the workforce, it is essential that an environment is provided which is free from discrimination and harassment. To enable this, we have formulated and implemented a standalone Anti-discrimination and Anti-harassment Policy which outlines our commitment to provide discrimination and harassment free environment. We believe that maintaining a diverse workforce is essential for the long-term growth of the company by bringing along diversity of skills and experiences. Our company is continually on the growth trajectory, and we are of the firm belief that maintaining diverse workforce will help us in this journey.

Our commitment towards increasing diversity of our workforce is evident from the increased number of women in the total workforce. In FY 2023, total female permanent employees were 170 against 148 in previous year. Similarly, the count of female has also increased in contractual workforce from 4,604 in FY 2022 to 5,739 in FY 2023. In the coming years, we are determined to continue our efforts to increasing diversity and inclusion.

Ensuring Employee Welfare through Engagement Programs and Talent Development

At Dixon, we are dedicated to promoting the overall development of our workforce. We are doing this by taking several employee-friendly initiatives

like providing training to upgrade skills, undertaking regular engagement programs to build trust and stronger relationships with each other and providing safe and healthy workplace. Providing training on need-basis and innovative technologies is essential for the better on-job performance and also for their overall development.

In line with this year, we have provided 245 hours of trainings to our workforce. We periodically conduct need assessment to assess the skill gaps of the workforce and on the basis of that a yearly training calendar is prepared and periodic sessions are conducted. The training sessions are conducted to impart trainings on behavioral and technical topics like conflict management, personality development, lean manufacturing, COPQ, ISO etc.

We believe conducting regular employee engagement activities is good for improving the morale, satisfaction level and productivity of the workforce. It creates a sense of belonging and helps in building a better bond between the employer and the employee. We are conducting several employee engagement and team building activities in the company to enhance employee connect and enhance overall employee well-being.

At Dixon, we are dedicated to promoting diversity and eliminating discrimination based on factors such as sex, caste, creed, or religion. We firmly believe in providing equal opportunities for all members of our workforce, fostering an inclusive environment where everyone has a fair chance to advance and succeed.

To enhance the capabilities and skills of our employees, we have implemented need-based training initiatives. These programs are designed to support professional development and empower our workforce to reach their full potential.

We are proud to have a diverse workforce, and we prioritize gender equality within our organization. Many of our production lines are exclusively operated by female employees, highlighting our commitment to providing equal opportunities for women. We also ensure fair pay practices, promoting equitable compensation for all employees regardless of their gender.

At Dixon, we strictly adhere to ethical standards in our hiring practices. We do not engage in discriminatory hiring practices, child labor, forced labor, or any form of involuntary labor. Our commitment to human rights and social responsibility drives us to create a safe and inclusive work environment for all employees.

To address any concerns related to sexual harassment or discrimination, we have established a dedicated POSH committee to handle complaints and ensure a fair resolution process.

Additionally, we have implemented a comprehensive anti-sexual harassment policy that strictly prohibits any form of harassment in the workplace. We are proud to report that no sexual harassment complaints were filed against the company during the reviewed period.

By upholding these values and fostering a culture of inclusivity, respect, and equality, we strive to create a workplace where every employee feels valued, respected, and supported.

910
New members/ New hires

245
hours of training imparted

2,844
Total Employees

34
Average age of employees

SOCIAL AND RELATIONSHIP CAPITAL

WE ACKNOWLEDGE THE IMPORTANCE OF SOCIAL AND RELATIONSHIP CAPITAL IN CREATING SUSTAINABLE VALUE OF OUR STAKEHOLDERS. SOCIAL AND RELATIONSHIP CAPITAL ENCOMPASSES OUR RELATIONSHIPS WITH SUPPLIERS, COMMUNITY RELATIONS, AND CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.

We strive to build strong partnerships, maintain ethical supply chains, and contribute positively to the communities in which we operate. By prioritizing this capital, we aim to foster trust, build resilient networks and create shared value for a sustainable future.

Supply chain management

At Dixon Technologies, we understand the importance of a responsible and sustainable supply chain. We actively engage and support our suppliers and vendors, ensuring regulatory compliance and promoting best practices in financial and people management.

To achieve our sustainability goals, we recognize the crucial role of supply chain management. We are committed to building a resilient and responsible supply chain that prioritizes ethical practices, minimizes environmental impact, and contributes to positive social outcomes. In an attempt to make our supply chain more robust, we aim to continually take steps to integrate sustainability principles in the broader supply chain. We have also set a target to conduct supplier assessment of all our suppliers by 2030.

We cultivate strong partnerships with our suppliers, working collaboratively to drive sustainable practices throughout the value chain. When selecting suppliers, we evaluate their commitment to environmental stewardship, human rights, and ethical conduct. Our supplier code of conduct sets clear expectations and ensures alignment with our sustainability objectives. Through thorough due diligence assessments, we assess their environmental practices, labor standards, and ethical conduct. By partnering with suppliers who uphold these standards, we promote responsible practices throughout the supply chain.

For example, all our suppliers are required to adhere to the Company's Code of Conduct which outlines the provision on providing safe and healthy workplace to their people, develop an environment which is free from harassment and discrimination, upholding the human rights etc. Since, our business is categorized into, viz ODM and OEM, in the OEM business, we get most of the raw materials used during the manufacturing process directly from our customers. Whereas in ODM business, we have the discretion to select and onboard the suppliers, provided final approval from customers have been taken. Therefore, prior to onboarding our suppliers, we take into consideration certain parameters, including quality of raw materials and proximity/location of suppliers from the plant location.

Local Procurement

While sourcing goods and services we strategically plan to procure locally. It is our belief that local procurement is important to promote local businesses and as a result local economic development is promoted. Further, it also results into reduced environmental impact, as local sourcing reduces the carbon footprint resulted from transportation and logistics. It also increases the production efficiency by reducing the production and delivery time as procurement of goods from close proximity enables quicker delivery and ensures better coordination. Further, it also offsets the supply chain risk associated with disruption in global supply chain resulted from geopolitical concerns, trade restrictions etc.

Responsible sourcing is a key focus for us. We prioritize suppliers who adhere to ethical sourcing practices, including responsible mining and proper disposal of electronic waste. We actively seek partnerships with suppliers that prioritize the use of recycled and renewable materials, promoting a circular economy approach.

As a B2B company, we collaborate with renowned electronic companies, resulting in the generation of electronic waste. To address this, we have implemented proactive measures to minimize waste through extensive recycling efforts. We diligently identify and dispose of waste materials through authorized vendors, reducing the amount of waste sent to landfills. Additionally, we prioritize sustainable sourcing practices by collaborating with local vendors, ensuring the adoption of necessary measures and precautions for safe and environmentally responsible logistics. Through these practices, we strive to mitigate the environmental impact of our operations and promote sustainability across our supply chain.

At Dixon Technologies, responsible supply chain management is integral to our commitment to sustainability. We continuously work with our suppliers and vendors to uphold ethical standards, minimize environmental impact, and foster positive social outcomes. Together, we are building a responsible and resilient supply chain that supports our sustainability journey.

Community Relations

We, at Dixon Technologies, believe that a thriving community is critical to building a conducive business environment and a robust economy. As a responsible company, we are devoted to strengthening connections with key stakeholders and creating a positive impact on society through our corporate social responsibility (CSR). We aim to empower communities through our work in Education, hunger eradication, socioeconomic development, senior citizen welfare, and preventative healthcare.

Major initiatives

₹ 4.36 Crores

Total CSR Expenditure of the year (across Dixon Group)

SOCIAL AND RELATIONSHIP CAPITAL

Collaborating for cause

Dixon has collaborated with a number of non-profits in order to focus on improving child education, eradicating hunger, and ensuring the welfare of senior citizens.

Education and Skill Training

NAV ABHIYAN

The foundation endeavor to provide better living opportunities for poor and economically disadvantaged sections of society, as well as to ensure that children complete their education. Its primary mission is to promote education and literacy, as well as women's empowerment and social upliftment via vocational training. The foundation's headquarters is in Jangpura, New Delhi.

PURKAL YOUTH DEVELOPMENT SOCIETY (PYDS):

The society provides mentorship, healthcare, nutrition, and education. Through a CBSE-affiliated school, the foundation provides education and comprehensive care to children (mainly girls) from impoverished households of grades I to XII.

LABHYA FOUNDATION

The foundation teaches children social and emotional skills in government schools, helping them to become more resilient, create better connections, and have a higher drive to learn. The foundation is working with governments, multilateral organizations, and non-profits to co-create scalable and localized Social Emotional Learning (SEL) and well-being programs for vulnerable children across public education systems, namely the 'Happiness Curriculum' and 'Anandam Pathyacharya,' with the governments of Delhi and Uttarakhand, respectively.

PLAKSHA UNIVERSITY

The University is devoted towards promoting education in the field of humanities, commerce, economics, medical, engineering, management, computer software, hardware, information technology and any other field by establishing schools, colleges, institutions, education, and research centers for upliftment of society. It operates its activities from the state of Punjab.

MAHAVIR FOUNDATION TRUST

Mahavir International is dedicated group of leading citizens of Vadodara who work closely with MFT for effective implementation of all its initiatives. The scope of work of the organization is Education and Literacy to underprivileged section of the society.

JAN MADHYAM

The non-profit organization seeks to improve and rehabilitate children with mental disorders. Its major focus is on the social upliftment of mentally handicapped children by constructing satellite service centers for easy access to services for the disabled, where facilities focus on self-grooming, scheduling various programming, trips, and providing healthy meals, among other things. The foundation operates rural training institutes primarily in Aaya Nagar and Mohammadpur village, Delhi.

Healthcare

BANSIVIDYA MEMORIAL TRUST

This trust works for promoting health care of children. The mission of the trust is to facilitate early detection of Leukemia (Blood Cancer) in children by creating awareness and provide financial assistance & support to maximum under-privileged children battling leukemia, across the country. The trust covers almost 17 states and 59 hospitals so far.

Welfare of Senior Citizens

SHEOWS

It aims to help the elderly and other underprivileged members of society. It has contributed in improving the health condition of elderly residents via regular pathological test and improved nutritional status. The ashram's headquarters are in Delhi. SHEOWS operates two old age homes respectively in Delhi and Garhmukteswar.

Community investments

The company's investments in its people and communities is driven by Dixon technology's people-first philosophy. Over the course of this financial year, the company invested in a number of community development programs by effectively using its CSR expenditure pool. The table below gives an overview of the CSR funding utilization during FY 2022-23.

	Name of Agency	Total CSR amount contributed	Scope of work
1	Rotary Club Southend	20,00,000	Skill development, Promoting Healthcare
2	Isha Foundation	10,00,000	Environment Sustainability
3	Labhya Foundation	30,00,000	Education
4	SHEOWS	40,05,483	Welfare of senior citizen of society
5	Nav Abhiyan	9,50,000	Education
6	Jan Madhyam	17,60,000	Education
7	Purkal Youth Development Society	30,54,090	Education
8	Bansividya Memorial Trust	10,00,000	Promoting Healthcare
9	Mahavir Foundation Trust	10,00,000	Education
10	Teach to Lead	50,00,000	Education
11	Plaksha University	1,94,65,483	Education
12	Renovation of Government Schools in Dehradun, Uttarakhand	2,59,190	Education
13	Repair of Floor and Ceilings of Rajkiye Purv Madhyamik Vidhyalaya, Dudhai, Sahaspuram, Dehradun	1,44,000	Education
14	PHD RDF set up by PHD Chamber of Commerce and industry for integrated rainwater harvesting check dam cum fruit plantation project	6,00,000	Rural development project

INTELLECTUAL CAPITAL

WE ACKNOWLEDGE THE IMMENSE VALUE OF INTELLECTUAL CAPITAL AS A KEY DRIVER OF INNOVATION AND COMPETITIVE ADVANTAGE. INTELLECTUAL CAPITAL ENCOMPASSES OUR RESEARCH AND DEVELOPMENT INITIATIVES AND THE TECHNOLOGICAL SOLUTIONS WE EMPLOY.

We are committed to fostering a culture of innovation, encouraging creativity, and investing in cutting-edge technologies. By prioritizing intellectual capital, we strive to nurture a knowledge-driven organization that can adapt and thrive in a rapidly changing business landscape.

Research and Development

At Dixon Technologies, research and development (R&D) are instrumental in our pursuit of innovation and sustainability. We allocate resources to R&D endeavors to drive technological advancements, create eco-friendly products, and enhance operational efficiency.

Sustainability is ingrained in our product design process, with our R&D team prioritizing the development of energy-efficient products, the utilization of recyclable materials, and the implementation of innovative solutions that reduce our environmental impact. By integrating sustainable design principles, we aim to deliver products that meet customer needs while adhering to environmental standards.

Our R&D efforts are focused on optimizing resource utilization across our operations. We strive to develop technologies and processes that minimize energy consumption, water usage, and waste generation. By enhancing resource efficiency, we reduce our environmental footprint and improve cost-effectiveness.

To ensure comprehensive product lifecycle management, our R&D teams collaborate closely with other departments. We design our products for durability, reparability, and recyclability, extending their lifespan, reducing electronic waste, and fostering a circular economy.

Within our R&D teams, we foster a culture of collaboration and innovation. We actively seek partnerships with academic institutions, industry experts, and other organizations to exchange knowledge, share best practices, and drive sustainable innovation. By leveraging collective expertise, we can accelerate progress towards our sustainability goals.

We also explore emerging technologies and industry trends that have the potential to reshape our sector. Our investments in research areas such as renewable energy, artificial intelligence, and smart manufacturing enable us to develop cutting-edge solutions that address global sustainability challenges. By staying at the forefront of technological advancements, we strive to lead the industry towards a more sustainable future.

Technological Solutions

We leverage the wealth of data obtained from our online monitoring system to drive operational optimizations across our infrastructure. By harnessing this data, we strive to create greener and smarter buildings and facilities. To achieve this, we actively collaborate with experts and institutions in the field and embrace cutting-edge technologies.

Our focus areas for energy-saving solutions encompass various aspects, including lighting, air conditioning, automation, uninterruptible power supply (UPS), data centers, and server rooms. These areas are crucial for implementing energy-efficient measures in both green buildings and existing structures.

Through the integration of advanced technologies and expertise, we aim to optimize energy consumption, reduce waste, and enhance the overall sustainability of our infrastructure. By prioritizing energy-saving solutions in these key areas, we are committed to driving positive environmental impact and fostering a greener future.

Our ongoing efforts reflect our dedication to incorporating innovative practices and collaborating with industry leaders to ensure our buildings and facilities are at the forefront of energy efficiency and sustainability.

CORPORATE INFORMATION

Board of Directors

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B. Lall
Vice Chairman & Managing Director

Dr. Manuji Zarabi
Independent Director

Mr. Manoj Maheshwari
Independent Director

Ms. Poornima Shenoy
Independent Director

Mr. Keng Tsung Kuo
Independent Director

Dr. Rakesh Mohan
Independent Director

Key Managerial Personnel

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B. Lall
Vice Chairman & Managing Director

Mr. Saurabh Gupta
Chief Financial Officer

Mr. Ashish Kumar
Chief Legal Counsel & Group Company Secretary

Statutory Auditors

M/s S.N. Dhawan & Co. LLP
2nd Floor, 51-52, Sector-18,
Phase-IV, Udyog Vihar, Gurugram,
Haryana-122016, India
Ph: +91 124 4814444
Email ID: contact@mazars.co.in

Internal Auditor

Ernst & Young LLP
4th & 5th Floor, Plot No 2B,
Tower 2 Sector 126
Noida - 201304
Gautam Budh Nagar, U.P. India

Protiviti India Member Private Limited
(For Mobile Business)
15th Floor, Tower-A,
DLF Building, Phase-III, DLF Cyber City,
Gurugram-122002, Haryana

Key Bankers to Our Company

HDFC Bank Limited
Standard Chartered Bank
ICICI Bank Limited
J. P. Morgan Chase N.A.
Bank of Baroda
Yes Bank Limited
IndusInd Bank
Axis Bank Limited
IDFC First Bank Limited
Kotak Mahindra Bank Limited
Citi Bank
HSBC Bank
CTBC Bank Co. Ltd.
JP Morgan Chase Bank

Annual General Meeting

Date: 29th September, 2023 (through Video Conferencing)
Time: 11:00 A.M.
Day: Friday

Registrar & Share Transfer Agent

KFin Technologies Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana
Toll free number: 1- 800-309-4001
Website: www.kfintech.com

Registered Office

B-14 & 15, Phase-II, Distrct Gautam Buddha Nagar,
Noida-201305, U.P.
Ph.: (0120) 4737200
Fax: (0120) 4737273
Website: www.dixoninfo.com
E-mail-ID: investorrelations@dixoninfo.com

DIRECTOR'S REPORT

Dear Member(s),

Your Directors take immense pleasure in presenting the 30th Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2023. The consolidated performance of the Company, its Subsidiaries and Joint Ventures have been referred to wherever required.

Financial Summary / Performance of the Company (Standalone & Consolidated)

The Company's financial results are as under:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the financial year ended		For the financial year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Revenue from Operations	6,99,740	7,48,441	12,19,201	10,69,708
Other Income	1,847	262	561	381
Total Income	7,01,587	7,48,703	12,19,762	10,70,089
Profit/ Loss before depreciation, finance costs, Exceptional items and tax expenses	37,908	28,124	51,836	38,292
Less: Depreciation/ Amortization/ Impairment	5,761	5,072	11,463	8,395
Profit/ Loss before Finance costs, exceptional items and tax expenses	32,147	23,052	40,373	29,897
Less: Finance costs	3,622	3,015	6,057	4,420
Profit/ Loss before exceptional items and tax expenses	28,525	20,037	34,316	25,477
Profit/ (Loss) of Joint Venture Companies	-	-	162	(6)
Add/ (Less): Exceptional items	-	-	-	-
Profit/ Loss Before tax	**28,525**	**20,037**	**34,478**	**25,471**
Less: Taxes (current & deferred)	7,410	4,941	8,970	6,438
Profit/ Loss for the year	**21,115**	**15,096**	**25,508**	**19,033**
Total comprehensive income/ loss	**21,065**	**15,086**	**25,380**	**19,092**
Balance of profit/ loss for earlier years	64,361	49,851	71,785	53,345
Add: Profit during the year	21,115	15,096	25,552	19,026
Less: Dividend paid on equity shares	1,189	586	1,189	586
Less: Dividend Distribution tax	-	-	-	-
Balance carried forward	**84,287**	**64,361**	**96,148**	**71,785**

Overview and State of Company's Affairs

Despite challenges in the macro environment, India emerged as one of the fastest growing developing economies in the world, demonstrating tremendous resilience amidst crisis. Due to easing of mobility restrictions, wide coverage of vaccination drives and prudent efforts by the RBI to contain inflation, the economy remained well on track to rebound growth. Additionally, accommodating fiscal and monetary policies by the government and strong emphasis on asset creation and infrastructure development offered significant impetus for further growth. Although the unorganized sector continued to witness some uncertainty, corporate profits during the year remained particularly promising.

While supply-side imbalances are still prevalent, your Company responded to supply chain disruptions with agility and successfully drove revenue growth in the year under review. As consumer spending improved, the Company noticed strong demand for the products and the trend is expected to continue in the upcoming quarters as well. But, the ODM business is likely to experience marginal pressures due to increased commodity and freight costs.

Your Company has been constantly working towards accomplishing its vision of being the most preferred & trusted manufacturing & solution partner to brands operating across verticals. Your Company has carved out a firm place in the Indian EMS industry. During the year under review, we acquired new customers and increased the scope of work with the existing customers across almost all verticals. This has enabled us to strengthen our market share and giving us an edge over our competitors. Moreover, your Company's strong balance sheet and liquidity position has enabled us to capitalize on growing market opportunities across all verticals.

Your Company aims at retaining and diversifying its clientele by delivering advanced solutions and effective products. Furthermore, your Company's wholly owned subsidiary Padget Electronics became the first Company out of 16 approved entities to receive approval under PLI scheme of Government of India for manufacturing of Mobile phones (Domestic Companies). With its extensive goal of mass production, your Company is emerging stronger every day.

During the year under review, your Company became the first contract manufacturer in India to get the sub licensing rights relating to Android & Google TV. This new partnership will enable the company in offering a cost effective, consistent, high quality & out of box experience to our existing customers & potential new brands which will further strengthen the company's market leadership in the LED TV category. During the year, your Company has also entered into an agreement with Ibahn Illumination Private Limited ('Ibahn') whereby Ibahn has agreed to transfer its cutting edge technologies of smart lighting solutions. The Technology proposed to be transferred shall include the technology developed by Ibahn pertaining to BLE Mesh Smart Lighting (App, Firmware, Hardware, and Cloud Hosted Database) that provides consumers with a wide range of combination & control as well as work-in-progress technology pertaining to Wi-Fi based technology solutions for its lighting products. This acquisition will be a good addition of innovation in the lighting segment.

Moreover, your company has also shown its intention of forming a Joint Venture Company that will undertake Research & Development, product designing, supply chain of multiple product categories like smart phones, IT Hardware products, IOT based products and other similar devices that facilitate voice and data communications for domestic and international market.

To summarize, your Company is looking at a promising future, with its high revenue potential defined by the largest capacities in India.

Your Company's ranking in terms of market capitalization as on 31st March, 2023 was 236 at BSE Limited and 234 at National Stock Exchange of India Limited.

Appropriations

The Directors are pleased to recommend a dividend of ₹ 3/- per equity share of face value of ₹ 2/- each (@150%), payable to those shareholders whose name appears in the Register of members of your Company as on 22nd September, 2023. The payment of dividend shall be subject to approval of shareholders at the ensuing Annual General Meeting ("AGM") to be held on 29th September, 2023. The total cash outflow on account of the payment of Dividend would be approximately ₹ 17.87 Crores.

The Board of Directors of your Company had approved and adopted the Dividend Distribution Policy containing all the necessary details as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The Dividend, if approved by the Members will be paid on or before 30 days from date of Annual General Meeting and in accordance with the Dividend Distribution Policy, which is available on the website of your Company at https://dixoninfo.com/json/dixon/codes-policy/Dixon_dividend-distribution-policy.pdf There has been no change in the said policy during the period under review.

Also, pursuant to the provisions of the Income Tax Act, 1961 as amended by the Finance Act, 2020, Dividend paid or distributed by the Company on or after 1st April, 2020 shall be taxable in the hands of the Members. The Company shall therefore, deduct tax at source (TDS) at the time of making the payment of Dividend to the shareholders.

The Register of Members and Share Transfer Books of your Company shall remain closed from 23rd Sep, 2023 to 29th Sep, 2023 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 2023 at the ensuing Annual General Meeting.

Transfer to Reserves

Details with regard to amount transferred to reserves are provided in the Notes to Financial Statements forming part of this Annual Report.

Share Capital Structure

There has been no increase / decrease in the Authorised Share Capital of your Company during the year under review.

During the year under review, your Company has allotted 2,18,230 Equity shares of ₹ 2/- each pursuant to exercise of Employee Stock Options by eligible employees under Dixon Technologies (India) Limited - Employee Stock Option Plan, 2020. Consequently, the Paid up, Issued and Subscribed Share Capital of your Company was also increased. As on 31st March, 2023, the paid up, issued, subscribed share capital of the Company stands at ₹ 11,91,20,330.

Further, during the period under review, your Company has not bought back any of its securities / has not issued any Sweat Equity Shares / has not issued any Bonus Shares/ has not issued shares with Differential Voting rights and there has been no change in the voting rights of the shareholders.

Employees Stock Options (ESOPs)

Your Company has, from time to time, introduced employee recognition schemes in the form of ESOPs and such tools have been constructive in acknowledging employee's contribution to the organization. The objective of the said ESOPs is to enhance employee motivation, enable employees to participate, directly or indirectly, in the long-term growth and success of your Company. Also, such tools act as a retention mechanism by enabling employee participation in the business as its active member.

DIXON TECHNOLOGIES (INDIA) LIMITED- EMPLOYEE STOCK OPTION PLAN- 2020 ("DIXON ESOP 2020")

The members of your Company at 27th Annual General Meeting held on 29th September, 2020 approved DIXON TECHNOLOGIES (INDIA) LIMITED- EMPLOYEE STOCK OPTION PLAN- 2020 ("**DIXON ESOP 2020**") for the present and/or future permanent employees of your Company and its present and future subsidiary

Company (ies) ("**employees**"). The Board had approved the constitution of 'share allotment committee' to allot shares, in one or more tranches to the employees of your Company and its subsidiaries pursuant to exercise of stock options vested with them in accordance with DIXON ESOP 2020.

During the year under review, the share allotment committee allotted 2,18,230 equity shares of ₹ 2/- each pursuant to exercise of employee stock options by eligible employees under DIXON ESOP 2020.

DIXON TECHNOLOGIES (INDIA) LIMITED EMPLOYEE STOCK OPTION PLAN-2018 ("DIXON ESOP 2018")

At the 25th Annual General Meeting of your Company held on 25th July, 2018, the Members had approved DIXON TECHNOLOGIES (INDIA) LIMITED-EMPLOYEE STOCK OPTION PLAN, 2018 ("**Dixon ESOP 2018**"). The Board had approved the constitution of 'share allotment committee' to allot shares, in one or more tranches to the employees of your Company and its subsidiaries pursuant to exercise of stock options vested with them in accordance with DIXON ESOP 2018.

During the year under review, no shares have been allotted by the Company under DIXON ESOP 2018.

Moreover, the shareholders of the Company at the 29th AGM of the Company held on 23rd August, 2022 approved the grant of stock options to the present and future permanent employees of Associate Companies, including Joint Venture Companies, under Dixon Technologies (India) Limited —Employees Stock Option Plan, 2018 ("**DIXON ESOP 2018**") and Employee Stock Option Plan, 2020 ("**DIXON ESOP 2020**").

Disclosures on details of options granted, shares allotted upon exercise, etc. as required under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are set out in **Annexure I** to this Report

Further, details of options granted and exercised are included in the notes to accounts forming part of Standalone financial statements.

Credit Ratings

The details of Credit Ratings as provided by ICRA Limited are as follows:

Type	Date	Facility	Rating	Remarks
Bank Loan Facility	26th August, 2022 Re-affirmed	Fund based and non-fund based	Long term ICRA AA - (Stable); Short Term ICRA A1+	Long term and short term rating were re-affirmed and assigned for enhanced limits.
Commercial paper	26th August, 2022 Re-affirmed	Commercial Paper	ICRA A1+	Re-affirmed

During the year under review, there has been no change in the credit ratings so assigned to the Company.

Investor Education and Protection Fund

During the year under review, your Company was not required to transfer any funds to Investor Education and Protection Funds (IEPF).

Deposits

During the year under review, your Company has not accepted any deposits from the public under Section 73 and 76 of the Act and rules made thereunder and no amount of principal or interest was outstanding as at the end of Financial Year 2022-23. There were no unclaimed or unpaid deposits lying with your Company.

Change in the Nature of Business

There has been no change in the nature of business carried on by your Company or its subsidiaries during the year under review.

Consolidation of Financials

In compliance with provisions of Section 129 (3) of the Act read with Companies (Accounts) Rules, 2014, your Company has prepared Consolidated Financial Statements as per the Indian Accounting Standards on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report thereon forms part of this Annual Report.

Subsidiaries, Joint Ventures or Associate Companies and their financial performances

1. **Dixon Global Private Limited**

   Dixon Global Private Limited ("DGPL") is a 100% subsidiary of your Company.

   DGPL is authorised to carry on agency business in all its branches and to act as agents for Indian and Foreign principals to, inter-alia, sale, purchase, import and export of electrical appliances and gadgets of all kinds.

   DGPL reported a loss of ₹ 64.68 Lakhs in F.Y. 2022-23 (previous year profit: ₹ 131.20 Lakhs).

2. **Padget Electronics Private Limited**

   Padget Electronics Private Limited ("PEPL") is a 100% Subsidiary of your Company.

PEPL is engaged in the business of manufacturing, selling, exporting, repairing or dealing in mobile phones of all kinds and related components, parts, spares, devices and accessories.

PEPL reported a profit of ₹ 3773.55 Lakhs in F.Y. 2022-23 (previous year profit: ₹ 2865.35 Lakhs).

3. AIL Dixon Technologies Private Limited

AIL Dixon Technologies Private Limited. ("ADTPL") is a Joint Venture Company of your Company wherein 50% of the shareholding is held by your Company and remaining 50% is held by Aditya Infotech Limited.

ADTPL is principally engaged in the business of assembling, manufacturing and selling CCTV security cameras, DVRs, IP cameras, cables, power supply, video door phones, bio metrics and allied products.

ADTPL reported a Profit of ₹ 1900.11 Lakhs in F.Y. 2022-23 (previous year profit: ₹ 1798.54 Lakhs).

4. Dixon Electro Appliances Private Limited

Dixon Electro Appliances Private Limited ("DEAPL") is a joint venture of your Company wherein 51% of the shareholding in DEAPL is held by your Company and remaining 49% of the shareholding is held by Beetel Teletech Limited, thus making DEAPL a subsidiary of your Company.

DEAPL is principally engaged in the business of manufacturing of telecom and networking products.

It has reported a loss of ₹ 169.69 Lakhs in F.Y. 2022-23 (previous year profit: ₹ 102.35 Lakhs)

5. Dixon Electro Manufacturing Private Limited

Dixon Electro Manufacturing Private Limited ("DEMPL") is a 100% Subsidiary of your Company. DEMPL is engaged in the business of manufacturing of consumer durables devices.

It has reported a loss of ₹ 1.02 Lakhs in F.Y. 2022-23 (previous year loss: ₹ 21.27 Lakhs)

6. Dixon Technologies Solutions Private Limited

Dixon Technologies Solutions Private Limited ("DTSPL") is a 100% Subsidiary of your Company. DTSPL is engaged in the business of manufacturing and deal in, inter-alia, consumer durables devices and electronics appliances.

It has reported a loss of ₹ 8.25 Lakhs in F.Y. 2022-23 (previous year loss: ₹ 2.63 Lakhs)

7. Rexxam Dixon Electronics Private Limited

Rexaam Dixon Electronics Private Limited ("Rexxam Dixon") is the Joint venture of your Company wherein 40% of the shareholding is held by your Company and remaining 60% of the shareholding is held by Rexxam Co. Ltd. Rexxam Dixon is engaged in the business of manufacturing PCBs for air conditioners.

It has reported a profit of ₹ 588.55 Lakhs in F.Y. 2022-23 (previous year loss: ₹ 14.86 Lakhs)

8. Califonix Tech and Manufacturing Private Limited

Califonix Tech and Manufacturing Private Limited ("Califonix") is a Joint venture of your Company wherein 50% of the shareholding is held by your Company and remaining 50% of the shareholding is held by Imagine Marketing Limited. Califonix is engaged in the business of manufacturing of Bluetooth enabled audio devices.

During FY 2022-23, it has reported a loss of ₹ 146 Lakhs.

9. Dixtel Communications Private Limited

Dixon Communications Private Limited ("Dixtel") is a 100% Subsidiary of your Company and has been incorporated on 22nd February, 2023. The Company is yet to commence its business.

It has reported a loss of ₹ 0.12 Lakhs in FY 2022-23.

A statement containing the salient features of the Financial Statement of the Subsidiaries and Joint Venture Companies in the prescribed format AOC-1 forms part of the Consolidated Financial Statements of your Company.

In accordance with Section 136 of the Act, the Audited Financial Statements including the Consolidated Financial Statements and related information of your Company and audited accounts of Subsidiaries are available on the website of your Company at www.dixoninfo.com.

None of the above named Subsidiaries and Joint venture Companies apart from AIL Dixon Technologies Private Limited ("ADTPL") had declared any Dividend during the Financial Year 2022-23. AIL Dixon declared an Interim dividend of ₹ 3/- per equity share of ₹ 10/- each amounting to ₹ 5.70 Crores.

During the year, Padget Electronics Private Limited wholly owned subsidiary of your Company, was a material subsidiary, as per SEBI Listing Regulations. In terms of the provisions of Regulation 24(1) of the SEBI Listing Regulations, appointment of one of the Independent Directors of your Company on the Board of material subsidiaries was applicable only to said wholly owned subsidiary.

Independent Audit Report of the material subsidiary is available on the website of your Company. The Secretarial Audit report of the material subsidiary does not contain any qualification, reservation or adverse remark or disclaimer. The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by your Company's Audit Committee;

- Minutes of Board meetings and Committee(s) of subsidiary companies are placed before the Company's Board regularly;
- A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board;

The Company's Policy for determining Material Subsidiaries is available on the website of the Company and can be accessed at https://dixoninfo.com/json/dixon/codes-policy/Policy%20on%20Material%20Subsidiary.pdf

Furthermore, pursuant to Regulation 24A of SEBI Listing Regulations, read with Guidance note on Annual Secretarial Compliance Report issued by Institute of Company Secretaries of India, the Secretarial Audit report (MR-3) of Material Subsidiary i.e Padget Electronics Private Limited forms part of the Annual Report.

Particulars of Loans, Guarantees or Investments Made U/S 186 of the Act

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Act forms part of the notes to the Financial Statements provided in this Annual Report. All the loans, guarantees & securities are given and investments are made for the Business purpose.

Related Party Transaction

In line with the requirements of the Act and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at https://dixoninfo.com/json/dixon/codes-policy/Dixon_Related-Party-Transaction-Policy.pdf . The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between your Company and Related Parties. The said policy was last amended on. 23.05.2023.

All the related party transactions are placed and approved before the Audit Committee and also the Board for approval, as per applicable provisions of law. Prior omnibus approval of the Audit Committee is obtained as per SEBI Listing Regulations for the transactions which are foreseen and are repetitive in nature.

Further, during the year, your Company has not entered into contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions and as per the SEBI Listing Regulations. These transactions are in the ordinary course of business and are on arm's length basis. In view of the above, disclosure in Form AOC-2 is not applicable.

For details on Related Party Transactions, you may refer Notes to financial statements forming part of the Annual Report.

Material Changes and Commitments affecting the Financial Position of your Company and Material Changes between the Date of the Board Report and End of the Financial Year

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of your Company to which the Financial Statements relate and the date of Board Report.

During the year, your Company had entered into the following strategic decisions as per following details:

1. Your Company has also signed an agreement with Google to sub-license rights relating to Android and Google TV. Post the entering of the Agreement, your Company has become the first contract manufacturer in India to get the sub-licensing rights.
2. Your Company signed an agreement with Ibahn Illumination Private Limited wherein your Company has acquired Technology Solutions-BLE Mesh Smart Lighting App, Firmware, Hardware, Cloud Hosted Database) and Wifi based technology solutions for its lighting products from Ibahn.
3. Your Company has also signed Term Sheet with Mega Alliance Holdings Limited (Part of Tinno Group) to form a prospective joint venture arrangement, subject to necessary government approvals for designing and manufacturing of mobile communication equipment and related solutions in India. It is proposed that your Company shall hold 51% shareholding in such prospective Joint Venture arrangement.

Future Outlook

The Company acknowledges the significant opportunities presented by the robust growth trends in the Indian Electronics Manufacturing Services (EMS) sector. Within this thriving environment, the Company aims to deepen its involvement in end-user applications, particularly in computers and information technology (IT), which constitute around 36% of the global EMS market. Moreover, the trend towards work-from-home culture is expected to bolster demand for IT hardware and related electronic appliances, thereby presenting additional growth avenues for the Company.

Technological advancements in the field of 5G infrastructure are poised to open new possibilities for electronic devices, especially in the domain of mobility and communication. Given the Company's focus on innovation and its readiness to adapt, these technological shifts present a clear opportunity. Subsequently, the Company plans to explore this sector through alliances and investments, focusing on cloud-based solutions that could redefine automotive infotainment systems.

Additionally, the Company is encouraged by India's projected market share in the global EMS landscape, which is expected to quadruple by CY26. This rapid scaling is predominantly driven by the growing appetite for electronics, not just in the urban centres but also in Tier 2 and Tier 3 cities. The expansion of organised retail in these areas is seen as a beneficial factor, offering the Company a channel for wider market penetration.

Another growth driver that the Company is keenly monitoring is the rise of eco-conscious consumer behaviour, which has spurred the demand for clean energy solutions and environmentally sustainable electronics. Consequently, the Company has set its sights on these emerging sectors, with a focus on renewable energy components and waste-reducing technologies, aligned with global sustainability initiatives.

Moreover, the Company takes note of the progressive government initiatives aimed at fortifying domestic electronics manufacturing. The incentives and policies in place are expected to make India one of the most attractive manufacturing destinations, a scenario that could substantially augment the Company's growth trajectory.

Corporate Governance

The corporate governance philosophy of your Company is drived by the interest of the stakeholders and focuses on the fairness, transparency and business needs of the organization. Your Company believes that executing strategy effectively and generating shareholder value over the long term requires high standards of corporate governance.

To ensure good corporate governance, your Company ensures that its governance framework incorporates the amendments introduced in the SEBI Listing Regulations from time to time and the same are complied with on or before the effective date.

Company always take constant efforts to set new benchmarks in corporate excellence. In terms of SEBI Listing Regulations, a separate section on "Corporate Governance" with a compliance report on corporate governance and a certificate from M/s. Shirin Bhatt & Associates, Company Secretaries, Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance, has been provided in this Annual Report. A Certificate of the CEO and CFO of the Company in terms of SEBI Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

Board of Directors, Its Committees and Meetings thereof

The Board of Directors (the "Board") are responsible for and committed to sound principles of Corporate Governance in your Company.

The Board's focus is on the formulation of business strategy, policy and control. Matters reserved for the Board are those affecting your Company's overall strategic policies, finances and shareholders. These include, but are not restricted to, deliberation of business plans, risk management, internal control, preliminary announcements of interim and final financial results, dividend policy, annual budgets, major corporate activities such as strategic decisions and connected transactions.

The Board has delegated part of its functions and duties to Executive committee and day-to-day operational responsibilities are specifically delegated to the management.

Your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of Executive, Non-Executive and Independent Directors including one Woman Director. The Board provides strategic guidance and direction to your Company in achieving its business objectives and protecting the interest of the stakeholders. Your Board is also supported by Eight Committees Viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Executive Committee of the Board, Risk Management Committee, Share Allotment Committee and Research & Development Committee.

Your Company holds minimum of 4 (four) Board meetings in each calendar year with a gap of not more than one hundred and twenty days between any two consecutive Meetings. Additional meetings of the Board/ Committees are convened as may be necessary for proper management of the business operations of your Company.

The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of your Company met 6 (six) times during the Financial Year 2022-23 i.e. on 27th May, 2022, 30th May, 2022, 27th July, 2022, 20th October, 2022, 25th January, 2023 and 23rd March, 2023.

The required quorum was present at all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013 ("Act").

A detailed update on the Board & its Committees, composition thereof, number of meetings held during Financial Year 2022-23 and attendance of the Directors at such meeting is provided in the section "Board of Directors" of "Corporate Governance Report".

Committees of the Board

The Board had duly constituted following Committees, which are in line with the provisions of applicable laws:

a. Audit Committee

b. Nomination and Remuneration Committee

c. Corporate Social Responsibility Committee

d. Stakeholders' Relationship Committee

e. Risk Management Committee

f. Executive Committee

g. Share Allotment Committee

h. Research & Development Committee

A detailed update on the composition, number of meetings, attendance and terms of reference of aforesaid Committees are provided in the section "Committees of the Board" of "Corporate Governance Report".

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review as stipulated under SEBI Listing Regulations with the Stock Exchanges in India is presented in a separate section forming part of this Annual Report.

Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Act and rules made thereunder and Regulation 22 of the SEBI Listing Regulations, Your Company has established a vigil mechanism through which directors, employees and business associates may report unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's code of conduct, leak or suspected leak of unpublished price sensitive information without fear of reprisal. The directors, employees, business associates have direct access to the Chairman of the Audit committee. The vigil mechanism has been explained in detail in the "Corporate Governance Report".

Risk Management Committee/ Policy

Your Company has adopted risk management policy, which covers five aspects: Strategic risks, Operational Risks, Compliance Risks, Financial &, Reporting Risks, Sustainability Risks and Cyber Security Risks. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

In line with the SEBI Listing Regulations, your Company has formed a Risk Management Committee to monitor the risks and their mitigating actions. The details of Risk Management Committee are provided in the Corporate Governance report.

Risk Management is also an integral part of your Company's business strategy. Business Risk Evaluation and Management is an ongoing process within the Organization. The same is available on the website of the Company and can be accessed at: https://dixoninfo.com/json/dixon/codes-policy/Risk%20Management%20Policy%20-%2018062022.pdf.

Also, to address IT related concerns like cyber threats and data vulnerability, your Company has a robust IT system and firewalls to mitigate any threats and risks. The Company takes the below mentioned steps to ensure the privacy and data security of users:

a. Using firewalls on the network.

b. Antivirus is installed on each system to protect from viruses, anti-malware, adware, worms and Trojans.

c. Company has a Strong password policy.

d. Automatic backup is scheduled for critical users.

e. Educating users by sending Information like Security Policy of the Company and email awareness mail periodically.

f. External drives are blocked.

g. Data Linkage Protection (DLP) installed across all systems.

In the opinion of the Board, there are no risks that may threaten the existence of your Company.

Adequacy of Internal Controls systems and Compliance with Laws

Your Company has an adequate and effective system of internal controls commensurate with the nature of its business and the size and complexity of its operations. These controls have been designed to provide a reasonable assurance over effectiveness and efficiency of operations, prevention and detection of frauds and errors, safeguarding assets from unauthorized use or losses, compliance with applicable laws and regulations, accuracy and completeness of the accounting records, timely preparation of reliable financial information. Your Company has an independent internal audit function supported by dedicated outsourced teams. Every quarter, the Audit Committee of the Board is presented with key concerns and the actions taken by your Company on concerns highlighted. Also, the Audit Committee, provide their observation, suggestions and recommendations and seek Action Taken Reports from Management of the Company. The said Committee regularly at its meeting, reviews the status of such Action Taken Reports. In order to supplement the Internal Control process, your Company has engaged the services of M/s Ernst & Young LLP and M/s Protiviti India Member Private Limited (For Mobile Vertical) to function as Internal Auditors of the Company.

Also, the Corporate Affairs Department ensures that your Company conducts its businesses with high standards of compliance in legal, statutory and regulatory areas. Your Company has implemented an online Legal Compliance Management System in conformity with the best Industry standards which gives the compliance status on real time basis.

The Internal Auditors of your Company have direct access to the Audit Committee of the Board. Furthermore, the Internal Auditors are also responsible for following up the corrective actions to ensure that satisfactory controls are maintained.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future

During the year under review, there has been no such Significant and Material Orders passed by the Regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

Also, there had been no application filed for Corporate insolvency resolution process under "The Insolvency and Bankruptcy Code, 2016", by a Financial or operational creditor or by your Company itself during the period under review.

There was no instance of onetime settlement with any Bank or Financial Institution.

Annual Return

The Annual Return of your Company for the FY 2022-23 in form MGT-7 in accordance with the Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014 shall be placed on the website at www.dixoninfo.com in due course.

The link to access Annual Return for previous Financial year 2021-22 is https://dixoninfo.com/json/dixon/annual-general-meeting/Signed%20MGT-7%20of%20DTIL%20FY%202021-22.pdf

Directors and Key Managerial Personnel who were Appointed/Re-appointed or have resigned during the Year

Directors

During the year under review there has been no change in the composition of Board of Directors of the Company. During the year under review, Mr. Atul B. Lall (DIN: 00781436), Vice Chairman and Managing Director was liable to retire by rotation and being eligible offered himself for re-appointment and he was suitable appointed by the shareholders at the 29th Annual General Meeting.

Key Managerial Personnel ("KMPs")

Pursuant to the provisions of Section 203 of the Act, as on 31st March, 2023 Mr. Sunil Vachani, Executive Chairman & Whole Time Director, Mr. Atul B Lall, Vice Chairman & Managing Director, Mr. Saurabh Gupta, Chief Financial Officer and Mr. Ashish Kumar, Chief Legal Counsel & Group Company Secretary of the Company are the KMPs of your Company.

There was no change in the KMP of the Company during the period under review.

Directors Liable to Retire by Rotation

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Act read with Articles of Association of your Company, Mr. Sunil Vachani (DIN: 00025431) is liable to retire by rotation and, being eligible, offers himself for re-appointment.

Declaration of Independent Directors of the Company

As on date of this report, the Board comprises of 7 (seven) Directors. The composition includes 5 (five) Independent Directors. All the Independent Directors are appointed on the Board of your Company in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

Your Company has received declarations from all the Independent Directors confirming that they meet/continue to meet, as the case may be, the criteria of Independence under sub-section (6) of section 149 of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations.

Also, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and have confirmed that they are in compliance with the Code of Conduct for Directors and Senior Management personnel formulated by the Company.

The Independent Directors have also confirmed that their names are registered in the databank as mentioned by the Indian Institute of Corporate Affairs ("IICA").

Familiarization Programme for the Independent Directors

In compliance with the requirements of the SEBI Listing Regulations, your Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company and can be accessed at web link https://dixoninfo.com/json/dixon/codes-policy/Familiarization%20Programme%20For%20Independent%20Directors.pdf.

Board and Director's Evaluation

Pursuant to the provisions of the Act and the SEBI Listing Regulations, Annual evaluation of the Board, its Committees and individual directors has been carried out on the basis of Guidance Note on Board Evaluation issued by Securities and Exchange Board of India ("SEBI").

To facilitate the evaluation process, Board and its Committee's self-evaluation questionnaires were circulated to the Board members and respective Committee members and an online link was also provided to the Board members and respective Committee members wherein an option was provided to the Board and committee members to fill in the said questionnaires online.

Basis the results of the aforesaid questionnaire and feedback received from the Directors and respective Committee members, the performance evaluation of the Independent Directors were carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Executive Chairman, Vice Chairman and Managing Director was carried out by the Independent Directors. The directors have expressed their satisfaction with the evaluation process.

Separate Meeting of Independent Directors

Pursuant to Schedule IV to the Act and SEBI Listing Regulations one meeting of Independent Directors was held during the year i.e. on 23th March, 2023, without the attendance of non-independent Directors and members of Management.

In addition, the Executive Directors of the Company provide regular updates of Business plan and strategies to Independent Directors, in detail, on a regular basis.

Auditors & Auditors' Report

Statutory Auditors

M/s S. N. Dhawan & Co LLP	M/s S. N. Dhawan & Co LLP (Firm registration number: 000050N/N500045) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th July, 2018, for a term of five consecutive years. The re-appointment of the said auditors has been approved by the Board at its meeting held on 23rd May, 2023 subject to approval of the shareholders at ensuing Annual General Meeting. The Independent Auditors Report given by the Auditors on the financial statement (Standalone and Consolidated) of your Company forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.
Secretarial Auditors M/s Shirin Bhatt & Associates, Practicing Company Secretaries	Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held on 27th May, 2021 had appointed M/s Shirin Bhatt & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2021-22 and onwards. The Secretarial Audit Report is annexed herewith as Annexure – II. The said Secretarial Audit report for the FY 2022-23 does not contain any qualification, reservation or adverse remark
Cost Auditors- M/s Satija & Co, Cost Accountants	In terms of the Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and get them audited every year from Cost Auditor and accordingly such accounts and records are maintained by your Company. The Board of Directors appointed M/s Satija & Co., Cost Accountants, as Cost Auditors to audit the cost accounts of your Company for the Financial Year 2023-24 at its meeting held on 23rd May, 2023. The Cost Audit Report for the FY 2022-23 will be filed by the Company with the Ministry of Corporate Affairs, in due course.
Internal Auditors-	
1. M/s Ernst & Young LLP	M/s Ernst & Young LLP., are acting as Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2021-22 and onwards, appointed at the Board Meeting held on 27th May, 2021. During the period under review, M/s Ernst & Young LLP., performed the duties of internal auditors of your Company and their report is reviewed by the Audit Committee.
2. M/s Protiviti India Member Private Limited	M/s Protiviti India Member Private Limited based on the recommendations of the Audit Committee, was appointed as the Internal Auditors for the Mobile Vertical of the Company on 27th July, 2022 for the FY 2022-23 and onwards. During the period under review, M/s Protiviti India Member Private Limited, performed the duties of internal auditors of your Company and their report is reviewed by the Audit Committee.

Corporate Social Responsibility (CSR)

Your Company has been constantly working towards promoting the welfare of the under-represented and underserved communities and aspire to add value to the communities in which we operate through our efforts. Your Company invests in the areas of education, healthcare, welfare of helpless old and other oppressed people of society, inclusion and livelihood through non-profits and social enterprises. Your Company's constant endeavour has been to support initiatives in the chosen focus areas of CSR.

Your Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of your Company. The composition of CSR committee is as stated in the "Committees of the Board" section of "Corporate Governance Report".

The Board of Directors have adopted a CSR policy which is in line with the provisions of the Act. The CSR Policy of your Company lays down the philosophy and approach of your Company towards its CSR commitment. The policy can be accessed at the following link: https://dixoninfo.com/json/dixon/codes-policy/Corporate-Social-Responsibility-Policy.pdf

Annual Report on Corporate Social Responsibility Activities of your Company is enclosed as **Annexure – III** and forms a part of this report.

Business Responsibility and Sustainability Report (BRSR)

Your Company has been yearly publishing its Business Responsibility Report (BRR) as a part of Annual Report and providing information on the various initiatives taken with respect to environmental, social and governance perspectives, in accordance with the directives of SEBI issued from time to time.

Further, SEBI vide notification issued in May 2021 has introduced a new sustainability related report "Business Responsibility and Sustainability Report" (BRSR), which has replaced the existing

BRR. The BRSR is a notable departure from the existing BRR and a significant step towards bringing sustainability reporting at par with the financial reporting. BRSR Reporting has become mandatory for the top 500 listed entities based on market capitalization from FY 2022-23, therefore, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the BRSR for the financial year ended 31st March 2023 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report. as Annexure-IV.

Environmental, Social and Governance ("ESG")

As a responsible corporate citizen, the Company is acutely aware of its environmental and societal responsibilities. The Company firmly embraces the conviction that the integration and adherence to Environmental, Social, and Governance (ESG) principles within business operations are paramount in fostering resilience, nurturing an inclusive culture, and generating enduring value for all stakeholders. Sustainability lies at the core of business philosophy.

The Company's sustainability strategy comprehensively addresses key ESG factors that exert significant influence over our business operations and stakeholders. The Company meticulously assess opportunities and risks, formulating both short-term, medium term and long-term strategies to ensure the sustainable growth of our organization.

Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in **Annexure- V**

Green Initiative

Your Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/ annual reports to shareholders. Electronic copies of the Annual Report for the F.Y. 2022-23 and notice of the 30th Annual General Meeting are being sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s) as on the record date i.e. 1st September, 2023. For members, who have not registered their e-mail addresses are requested to update your e-mail ids with your respective Depository Participants in order to contribute to aforesaid Green Initiative Programme

Pursuant to the provisions of Section 108 of the Act and rules made thereunder, your Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of 30th Annual General Meeting beginning from 9:00 a.m. on 26th September, 2023 (Tuesday) till 5:00 p.m. on 28th September, 2023 (Thursday). The instructions for e-voting are provided in the Notice of the Annual General Meeting. In furtherance of the aforesaid principle of "Green Initiative", your Company has decided to forego the practice of printing financial statements of its subsidiary as part of the Company's Annual Report with a view to help the environment by reducing paper consumption. However, the audited financial statements of the subsidiary(ies) along with Auditors' Report thereon are available on our website www.dixoninfo.com

Human Resources

Your Company employs 12,757 Individuals (including third party contractual employees) which is its most valuable asset, which propel the Company forward through their competencies, skills, and knowledge. The Company provides to its employees a supportive and safe working environment at the workplace. To foster a caring community, the Company recognises that having good staff relations and a motivated workforce plays a vital role in the Company's efficient operations. Your Company has always promoted employees (including workers) to actively participate in various engagement activities which the company organizes every month. The Human Resource Department creates a yearly engagement calendar and monitors it on monthly basis. Last year company organized multiple engagement activities for its employees. Some of the employee engagement activities are showcased below:

1. 2 Days Yoga Workshop
2. Harith @ Dixon wherein 1001 trees were planted inside and outside Dixon Tirupati Campus
3. Health, Eye, Dental and Dietician Camps
4. Self Defence Workshop for female employees
5. Monthly Birthday celebrations
6. Workshop on 351 mindset to improve life
7. Corporate Family Day

Welfare arrangements for employees (Health check-ups, etc.)

From time to time your company has been organizing Health, Eye, Dental and Dietician camps for its employees to inculcate the importance of health in every day's life and your Company has also ensured that every employee/worker should have mediclaim coverage. All these camps have been organized free of cost for its employees.

Measures taken to motivate employees:

ESOP's is one of the way of motivating the employee that is generally given based on the performance of the individual. Every month, "Best Operator" and "Best Supervisor" award is being given to the Best performer of the unit across all locations. Learning and Development is considered to be one of the important aspects of the organization and the units are motivated by rewarding the top 3 units with certificate of merit.

Your Company believes in work diversity and ensures that it has a mixed workforce irrespective of caste, creed, religion and gender. Your Company has representation from all sects of the society thereby ensuring diversity in workforce. Your company has representation of women at workplace. In few of our units, we have only women workforce who runs the entire production line. Similarly, in some of our units, your Company has good strength of women workforce in the shop floor. Your Company believes in equal pay parity irrespective of gender. All the workforce is paid based on their skill level.

Your Company is aiming to become more inclusive and therefore the promotion of gender diversity has been one of the key features of our talent strategy. From setting a specific target to improve women's participation in the workforce for the next three years to implementing programs and policies that improve worker diversity, your company has clear objectives to improve worker engagement and build trust. Your Company has a 'Zero Tolerance' policy towards any kind of discrimination and harassment at the workplace. We are an equal opportunity employer providing equal remuneration for women and men.

Awards and Accreditations

Your Company has also been awarded with the "North India Best Employer Award 2022" at the 17th Employer Branding Awards. As per the Great Place to Work ("GPTW") survey results, your Company has been certified as "GREAT PLACE TO WORK" from November 2022 till November 2023.

Also, Mr. Atul B. Lall, Vice Chairman and Managing Director of the Company has been bestowed with the 'Man of Electronics Award, 2022' by CEAMA.

Particulars of Employees and Remuneration

The disclosures pertaining to remuneration and other details of Directors and employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been provided in the annexure forming part of this report. Having regard to the provisions of Section 136(1) read with relevant provisions of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary or alternatively write to the Company at investorrelations@dixoninfo.com and the same will be furnished to the members.

Also, during the year under review, Mr. Sunil Vachani and Mr. Atul B. Lall have received consultancy fees until January, 2023, amounting to ₹ 20,00,000/- and ₹ 10,00,000/- respectively, from Padget Electronics Private Limited for providing their expertise in the field of EMS to Padget Electronics Private Limited, however, payment of such consultancy fees has been discontinued from 1st February, 2023.

Director's Appointment and Remuneration Policy

Your Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section (3) of Section 178 of the Act, as is adopted by the Board.

Your Company has adopted a comprehensive policy on nomination and remuneration of Directors and Key Managerial Personnel on the Board. As per such policy, candidates proposed to be appointed as Directors and Key Managerial Personnel on the Board shall be first reviewed by the Nomination and Remuneration Committee in its duly convened Meeting. The policy can be accessed at the following Link: https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy-1908.pdf.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 Read with Rules

Your Company has always believed in providing a safe and harassment free workplace for every women employee working with your Company. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has a zero tolerance for sexual harassment at workplace and, therefore, has in place a policy on prevention of sexual harassment at workplace. The said policy is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The policy aims at prevention of harassment of women employees contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. Your Company has complied with the provisions relating to the constitution of the Internal Complaints Committee (ICC) and the same has been duly constituted in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The said Committee is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The following is a summary of sexual harassment complaints received and disposed of during the year:

No. of complaints received: 0

No. of complaints disposed of: NA

No. of complaints pending: 0

Also, the Company had organized training programmes concerning sexual harassment from time to time, for its employees and staff. The said training programmes and workshop were helpful in creating necessary awareness and to encourage cooperative environment in the organisation. From time to time the Internal Complaints Committee organises awareness sessions at the manufacturing facilities of the Company. During the year under review, the Company organised 113 workshops or awareness programmes on sexual harassment (from 1st January, 2022 till 31st December, 2022).

Reporting of Fraud By auditors

There have been no instances of fraud reported by the Statutory Auditors or Internal Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Audit Committee, the Board of Directors or to the Central Government.

Disclosure in Respect of Voting Rights not Exercised Directly By Employees

No disclosure is required under Section 67(3) of the Act, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

Compliance of Applicable Secretarial Standard

During the financial year under review, your Company has duly complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

Directors Responsibility Statement

In terms of Section 134(5) of the Act, your directors hereby confirm that:

a. in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures

b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

d. the directors have prepared the annual accounts for the financial year ended 31st March, 2023, on a going concern basis;

e. the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Key Financial Ratios

The Key financial ratios for the financial year ended 31st March, 2023 forms part of the Management Discussion and Analysis Report.

Acknowledgment

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

By the order of the Board
For Dixon Technologies (India) Limited

	Sd/-	Sd/-
	Sunil Vachani	**Atul B. Lall**
Date: 25th July, 2023	Executive Chairman	Vice Chairman &Managing Director
Place: Noida	DIN:00025431	DIN:00781436

ANNEXURE-I

DISCLOSURE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Dixon Technologies (India) Limited laid down two stock option plans viz. Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ('Dixon ESOP 2018') and Dixon Technologies (India) Limited — Employee Stock Option Plan, 2020 ('Dixon ESOP 2020') which provided for the grant of equity shares of the company to the eligible employees of the company and its subsidiary companies, in accordance with members approval accorded at the 25th and 27th Annual General Meeting of the Company, respectively. Pursuant to the said ESOP Plans, stock options have been granted to the employees of the Company, its subsidiaries and joint venture companies.

Further, the Plans have been laid down in accordance with the terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and a certificate to this effect from Secretarial Auditors of the Company, M/s Shirin Bhatt & Associates, will be placed at the ensuing Annual General Meeting. The Company has not amended the Plans during the financial year 2022-23.

A. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Relevant details have been provided in Note no. 46 of the Notes to Standalone Financial Statements forming part of the Annual Report 2022-23 of the Company. The said disclosure has also been placed on the website of your Company and may be accessed at https://dixoninfo.com/agm.php

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations is disclosed in the following Section C in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

C. General Terms and Conditions

Sl. No	Particulars	Dixon ESOP 2018	Dixon ESOP 2020
1	General Terms and Conditions		
A	Date of shareholders' approval	25th July, 2018	29th September, 2020
B	Total number of options approved under ESOP	25,00,000	15,00,000
C	Vesting requirements	The options granted shall vest based upon the performance of the Employee, as may be determined by the Compensation Committee from time to time but shall not be less than 1 (one) and not more than 4 (four) years from the date of grant of options. Vesting may happen in one or more tranches.	The options granted shall vest based upon the performance of the Employee, as may be determined by the Compensation Committee from time to time but shall not be less than 1 (one) and not more than 5 (five) years from the date of grant of options. Vesting may happen in one or more tranches.
D.	Exercise price or pricing formula	The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the date of meeting of committee on which grant is to be made. If the Company is listed on more than one Stock Exchange, then the price of the Stock Exchange where there is highest trading volume during the aforesaid period shall be considered. The Compensation Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the par face value of Equity Share of the Company.	

<table>
<tr><th>Sl. No</th><th>Particulars</th><th>Dixon ESOP 2018</th><th>Dixon ESOP 2020</th></tr>
<tr><td>E.</td><td>Maximum term of options granted</td><td>The options granted under Scheme will vest over a period of Three years from the date of grant of options.

Further the Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.</td><td>The options granted under Scheme will vest over a period of Five years from the date of grant of options.

Further the Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 6 years.</td></tr>
<tr><td>F.</td><td>Source of Shares</td><td colspan="2">Primary</td></tr>
<tr><td>G.</td><td>Variation in terms of options</td><td colspan="2">During the year, no amendment/ modification/ variation has been made in terms of options granted by the Company.</td></tr>
<tr><td>2</td><td>Method used to account for ESOP</td><td colspan="2">Fair Value Method</td></tr>
<tr><td>3</td><td>Employee wise details of options granted during the year to:

KMP / Senior Managerial Personnel</td><td>During the year no further stock options have been granted to the senior managerial personnel, including KMPs under the Dixon ESOP 2018. Stock options granted to the said employees in the year 2018 forms part of the Annual Report of the Company for the year 2018-19.</td><td>
<table>
<tr><th>Name of the Employee</th><th>Designation</th><th>Number of Options granted during the year</th><th>Exercise Price (in ₹)</th></tr>
<tr><td>Mr. Nirupam Sahay</td><td>President & Chief Operating Officer</td><td>20,000</td><td>2777.22/-</td></tr>
<tr><td>Mr. Sukhvinder Kumar</td><td>Business Head-telecom</td><td>75,000</td><td>2563.59/-</td></tr>
<tr><td>Mr. Amit Pradhan</td><td>Vice President</td><td>10,000</td><td>2617.67/-</td></tr>
<tr><td>Mr. Lakshmipathy Karanam Natarajan</td><td>Vice President</td><td>5,000</td><td>2617.67/-</td></tr>
<tr><td>Mr. Anupam Sharma</td><td>Vice President</td><td>5,000</td><td>2617.67/-</td></tr>
<tr><td>Mr. Praveen Tandon</td><td>Vice President</td><td>5,000</td><td>3,631.75/-</td></tr>
<tr><td>Mr. Amit Mittal</td><td>Vice President</td><td>5,000</td><td>2,777.22/-</td></tr>
<tr><td>Mr. Ajit Ashok Kudale</td><td>Vice President</td><td>5,000</td><td>3,631.75/-</td></tr>
<tr><td>Mr. Ramagopala Reddy Palukuru</td><td>Senior Vice President</td><td>45,000</td><td>3,631.75/-</td></tr>
</table>
</td></tr>
</table>

Sl. No	Particulars	Dixon ESOP 2018	Dixon ESOP 2020
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None	None
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None	None

Sl. No	Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
		Grant 2018	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 –II**
4	Weighted-average exercise price	when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: Not Applicable	when the exercise price is equal/exceeds to market price: **Not Applicable**
		when the exercise price is less than market price: ₹ 372.96/-	when the exercise price is less than market price: ₹ 418.516/-	when the exercise price is less than market price: ₹ 1434.312/-	when the exercise price is less than market price: ₹ 3458.52/-	when the exercise price is less than market price: ₹ 1538.262/-	when the exercise price is less than market price: A. 75,000 equity shares @ ₹ 2,563.59/- B. 25,000 equity shares @ ₹ 2,777.22/- C. 66,500 equity shares @ ₹3,631.75/-	when the exercise price is less than market price:₹ '2,617.67/-
5	Weighted-average fair values of options	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 –II**
		when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/ exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**
		when the exercise price is less than market price: ₹ 153.73/- each	when the exercise price is less than market price: ₹ 256.12/- each	when the exercise price is less than market price: ₹ 459.554/- each	when the exercise price is less than market price: ₹1880.66/- each	when the exercise price is less than market price: ₹ 754.826/- each	when the exercise price is less than market price: A. 75,000 equity shares @ ₹ 2890.83/- B. 25,000 equity shares @ ₹ 2803.95/- C. 66,500 equity shares @ ₹2491.62 /-	when the exercise price is less than market price: ₹ 1513.77/-

Sl. No	Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
6	Description of the method and significant assumptions used during the year to estimate the fair value of options	Fair Value Method (Black Scholes Model). Some of the basic assumptions used in the Black-Scholes model are – **Markets are efficient:** This assumption suggests that people cannot consistently predict the direction of the market or an individual stock. The Black-Scholes model assumes stocks move in a manner referred to as a random walk. Random walk means that at any given moment in time, the price of the underlying stock can go up or down with the same probability. The price of a stock in time t+1 is independent from the price in time **Interest rates remain constant and known:** The Black -Scholes model uses the risk-free rate to represent this constant and known rate. **Returns are normally distributed:** This assumption suggests returns on the underlying stock are normally distributed. **Constant volatility-** The most significant assumption is that volatility, a measure of how much a stock can be expected to move in the near-term, is a constant over time. While volatility can be relatively constant in very short term, it is never constant in longer term. Some advanced option valuation models substitute Black-Scholes constant volatility with stochastic-process generated estimates. **Liquidity-** the Black-Scholes model assumes that markets are perfectly liquid and it is possible to purchase or sell any amount of stock or options or their fractions at any given time.						
7	Weighted-average values of share price	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 -II**
		The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 414.4/- per share.	The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 597.88/- per share.	The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 1593.68/- per share.	The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 4323.15/- per share.	The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 1809.72/- per share.	The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE is ₹ 4272.65/- per share.	The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 2755.45/- per share.
8	Exercise Price	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 -II**
		₹ 372.96/-	₹418.516/-	₹ 1434.312/-	₹ 3458.52/-	₹ 1538.262/-	A. 75,000 equity shares @ ₹ 2,563.59/- B. 25,000 equity shares @ ₹ 2,777.22/- C. 66,500 equity shares @ ₹3,631.75/-	₹ '2,617.67/-
9	Expected Volatility	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 -II**
		Vest 1; Vest 2 & Vest 3 is 36.37%	Vest 1 & Vest 2 is 36.05%	Vest 1 is 45.61%	Vest 1: 44.06% Vest 2: 43.61% Vest 3: 41.78%	Vest 1: 47.88% Vest 2: 41.82% Vest 3: 41.14% Vest 4: 41.14% Vest 5: 41.14%	Vest 1, Vest 2, Vest 3, Vest 4 & Vest 5 is 40.43%	Vest 1, Vest 2, Vest 3, Vest 4 & Vest 5 is 40.79%
10	Expected Option Life	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 -II**
		The Options granted will vest over a maximum period of 3 years from the date of grant.	The Options granted will vest over a maximum period of 2 years from the date of grant.	The Options granted will vest over a maximum period of 1 year from the date of grant.	The Options granted will vest over a maximum period of 3 years from the date of grant.	The Options granted will vest over a maximum period of 5 years from the date of grant.	The Options granted will vest over a maximum period of 5 years from the date of grant.	The Options granted will vest over a maximum period of 5 years from the date of grant.
11	Expected Dividends	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 -II**
		The Dividend Yield is 0.06%.	The Dividend Yield is 0.07%.	The Dividend Yield is 0.09%.	The Dividend Yield is 0.07%.	The Dividend Yield is 0.09%.	The Dividend Yield is 0.07%.	The Dividend Yield is 0.07%.

Sl. No	Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
12	The risk-free interest rate	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2022**	**Grant 2020**	**Grant 2022 -I**	**Grant 2022 -II**
		The Risk free rate for first, second and third vesting is 7.65%, 7.65% and 7.68% respectively.	The Risk free rate for first and second vesting is 6.08% respectively.	The Risk free rate for vesting is 4.19% respectively.	The Risk free rate for first, second and third vesting is 5.20%, 5.45% and 5.67%, respectively.	The Risk free rate for first, second, third, fourth and fifth vesting is 3.93%, 4.42%, 4.82%, 5.17% and 5.45% respectively.	A. The Risk free rate for first, second, third, fourth and fifth vesting is 7.39%, 7.41%,7.42%, 7.44%, 7.44%. B. The Risk free rate for first, second, third, fourth and fifth vesting is 7.39%, 7.41%,7.42%, 7.44%, 7.44%. C. The Risk free rate for first, second, third, fourth and fifth vesting is 7.39%, 7.41%,7.42%, 7.44%, 7.44%.	The Risk free rate for first, second, third, fourth and fifth vesting is 7.20%, 7.21%, 7.22%, 7.23% and 7.24% respectively.
13	The method used and the assumptions made to incorporate the effects of expected early exercise	Not Applicable, as options granted cannot be exercised before the vesting of option.						
14	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The volatility has been determined as the annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The Expected volatility has been based on the historical volatility for a period that approximates the expected life of options being valued.						
15	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other features have been considered for valuation of the options.						
16	Diluted EPS on issue of shares pursuant to Dixon ESOP 2018 & Dixon ESOP 2020 (Nominal value of share ₹ 2/-)	₹ 35.27 (Standalone basis) ₹ 42.62 (Consolidated basis)						

OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2018

Particulars	Details of Dixon ESOP 2018
Options outstanding at the beginning	
Dixon ESOP 2018- Grant- I	-
Dixon ESOP 2018- Grant- II	-
Dixon ESOP 2018- Grant- III	-
Dixon ESOP 2018- Grant- IV	26,500
Options Granted during the year	
Dixon ESOP 2018	-
Options Forfeited and expired during the year	
Dixon ESOP 2018 – Grant IV	4000
Number of options vested during the year	
Dixon ESOP 2018- Grant I	-
Dixon ESOP 2018- Grant II	-
Dixon ESOP 2018- Grant III	-
Dixon ESOP 2018- Grant IV	6,750
Options Exercised during the year and number of shares arising as a result of exercise of options	
Dixon ESOP 2018- Grant I	-
Dixon ESOP 2018- Grant II	-
Dixon ESOP 2018- Grant III	-
Dixon ESOP 2018- Grant IV	-
Money Realized by exercise of options	
Dixon ESOP 2018- Grant I	-
Dixon ESOP 2018- Grant II	-
Dixon ESOP 2018- Grant III	-
Outstanding at the end	
Dixon ESOP 2018- Grant IV	15,750
Options Exercisable at the end	6,750

OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2020

Particulars	Details of Dixon ESOP 2020
Options outstanding at the beginning	
Dixon ESOP 2020- Grant I	884920
Options Granted during the year	
Dixon ESOP 2020 – Grant II	A- 75,000 B- 25,000 C- 66,500
Dixon ESOP 2020 – Grant III	41,000
Options Forfeited and expired during the year	
Dixon ESOP 2020- Grant I	16,260
Number of options vested during the year	
Dixon ESOP 2020- Grant I	218230
Options Exercised during the year and number of shares arising as a result of exercise of options	
Dixon ESOP 2020- Grant I	218230
Money Realized by exercise of options	
Dixon ESOP 2020- Grant I	33,56,94,916.26/-
Outstanding at the end	
Dixon ESOP 2020- Grant I	650430
Dixon ESOP 2020- Grant II	A- 75,000 B- 25,000 C- 66,500
Dixon ESOP 2020- Grant III	41,000
Options Exercisable at the end	-

ANNEXURE-II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dixon Technologies (India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dixon Technologies (India) Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility

1. Our responsibility is to express opinion on the compliance of the applicable laws and maintenance of records based on the evidences collected, information received and Records maintained by the Auditee or given by the Management.

2. We have conducted the audit in accordance with applicable Auditing standards issued by the Institute of Company Secretaries of India (the "Standards") and the Standards require that we comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records. Accordingly, we have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the Auditee are free from misstatement.

3. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Our Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended March 31st, 2023 to ascertain the compliances of various provisions of:

a) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 (the "SCRA") and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) *Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"):

   i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;

   v) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   vi) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   vii) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   viii) *The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

*Not applicable as there was no reportable event during the audit period.

f) As confirmed by the management there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review

b) Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except for meetings of the Board which were convened at shorter notice in compliance with Section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided at such meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through in each such meetings of the Board and committees of the Board. Further during the course of audit, we have not come across the views of dissenting members recorded as part of the minutes.

d) We further report that based on the information received and records maintained that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations, and guidelines.

We further report that during the audit period following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- The Company allotted 1,97,610 and 20,620 equity shares of face value of ₹ 2/- each under the Dixon Technologies (India) Limited- Employee Stock Option Plan, 2020.

- The Board of directors continued the Office of Dr. Manuji Zarabi (DIN: 00648928) as a Non-Executive Independent Director of the Company beyond the age of 75 years, till the completion of his ongoing second term i.e. until 22nd February, 2025.

- The Company granted approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013 for an aggregate outstanding amount not exceeding ₹ 400 Crores (Rupees Four Hundred Crores only) per annum, respectively for each entity.

- The Company granted approval of remuneration payable to Mr. Sunil Vachani (DIN: 00025431), Executive Chairman & Whole-Time director of the Company as per Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 in excess of Rupees 5 Crores or 2.5 per cent of the profits of the Company (whichever is higher) until the expiry of his current term which is upto 4th May, 2027.

- The Company granted stock options to the employees of Associate Companies, including Joint Venture Companies, under Dixon Technologies (India) Limited —Employees Stock Option Plan, 2018 ("DIXON ESOP 2018") and Employee Stock Option Plan, 2020 ("DIXON ESOP 2020")

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M. No. F8273
PR No. 1209/2021

Place: Greater Noida
Date: 25-07-2023
UDIN: F008273E000661926

This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure-A

To,
The Members
Dixon Technologies (India) Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial statements of the Company.
4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M. No. F8273
PR No. 1209/2021

Place: Greater Noida
Date: 25-07-2023
UDIN:F008273E000661926

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PADGET ELECTRONICS PRIVATE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PADGET ELECTRONICS PRIVATE LIMITED** [Deemed public Company by virtue of proviso to Section 2(71) of the Companies Act, 2013] (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility

1. Our responsibility is to express opinion on the compliance of the applicable laws and maintenance of records based on the evidences collected, information received and Records maintained by the Auditee or given by the Management.
2. We have conducted the audit in accordance with applicable Auditing standards issued by the Institute of Company Secretaries of India (the "**Standards**") and the Standards require that we comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records. Accordingly, we have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the Auditee are free from misstatement.
3. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Our Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended **March 31st, 2023**, generally complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended **March 31st, 2023** to ascertain the compliances of various provisions of:

a) The Companies Act, 2013 (the "**Act**") and the Rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) *Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") *to the extent applicable as a wholly owned subsidiary of Dixon Technologies (India) Limited, a Public Company listed on National Stock Exchange of India Limited and BSE Limited:*

   i) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   iii) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;

   v) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   vi) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   vii) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   viii) *The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

*Not applicable as there was no reportable event during the audit period

f) As confirmed by the management there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

I. Mandatory Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *to the extent applicable as a wholly owned subsidiary of Dixon Technologies (India) Limited, a Public Company listed on National Stock Exchange of India Limited and BSE Limited.*

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Directors.

b) During the period under review the changes in the composition of the Board of Directors were carried out in compliance with the provisions of the Act.

c) Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except for meetings of the Board which were convened at shorter notice in compliance with Section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided at such meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

d) Majority decision is carried through in each such meetings of the Board and committees of the Board. Further during the course of audit, we have not come across the views of dissenting members recorded as part of the minutes.

e) We further report that based on the information received and records maintained that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc:

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M. No. F8273
PR. No. 1209/2021

Place: Greater Noida
Date: 24-07-2023
UDIN: F008273E000661915

This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure-A

To,
The Members
PADGET ELECTRONICS PRIVATE LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial statements of the Company.

4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M.No. F8273
PR. No. 1209/2021

Place: Greater Noida
Date: 24-07-2023
UDIN: F008273E000661915

ANNEXURE-III

CORPORATE SOCIAL RESPONSIBILITY REPORT

(Pursuant to Section 135 of the Companies Act, 2013)

1. Brief outline of the Corporate Social Responsibility (CSR) Policy

Dixon Technologies (India) Limited ("**Your Company**") has been at the forefront of helping people rise and ensuring the social wellbeing of the communities in the proximity of its business operations through its Corporate Social Responsibility initiatives (CSR). Your Company endeavours to enhance livelihoods and embraces social developments in the field of education, healthcare, rural development, welfare of senior citizen, and environment sustainability as a whole. Your Company's CSR initiatives exhibit Company's commitment in creating empowered citizens and enhancing the lives of those in need, leading to a more secure and sustainable future.

Your Company is committed in making substantial improvements in the social framework of the nearby community. Initiatives to promote education were the focus of attention during the period under review, with significant events, programmes, and influence throughout the year.

Your Company has a CSR policy in place, to identify the activities relating to areas identified under Schedule VII of the Companies Act, 2013, hence serving as a beacon of inspiration for other like-minded organisations. For your Company, CSR is not only about adhering to statutory and legal compliances but also creating social and environmental value for its stakeholders thus contributing to build a better tomorrow for the society.

As a thought leader and a pioneer in CSR, your company is highly committed to ensure upliftment of economically backward sections of the society by developing infrastructure, promoting education, offering vocational training and various other skill development opportunities to ensure prosperity and well-being over the long term. The details are also provided on the website of the Company: https://dixoninfo.com/csr.php

2. The Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors constituted the Corporate Social Responsibility (CSR) Committee. The Members of CSR committee are as follows:

Sl. No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sunil Vachani	Chairman	04	04
2	Mr. Atul B. Lall	Member	04	04
3	Dr. Manuji Zarabi	Member	04	04

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition: https://dixoninfo.com/board-committees.php

CSR Policy: https://dixoninfo.com/json/dixon/codes-policy/Corporate-Social-Responsibility-Policy.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 are as follows:

(Amount in ₹)

S.No.	Financial Year	Net profit /(loss)
1.	2021-22	2,082,454,000
2.	2020-21	2,147,799,252
3.	2019-20	1,476,789,962.14
	Average Net Profit	**1,902,347,738.05**

(b). Two percent of average net profit of the company as per section 135(5) is ₹. 3,80,46,955/-**.**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil

(d) Amount required to be set off for the financial year, if any- Nil

(e) Total CSR obligation for the financial year (5b+ 5c- 5d). – ₹ 3,80,46,955/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)- ₹ 3,80,46,955/-

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment, if applicable - Nil

(d) Total amount spent for the Financial Year (6a+6b+6c) - ₹ 3,80,46,955/-

(e) Details of CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
₹. 3,80,46,955	Nil	NA		NA	

(f) Excess amount for set –off, if any – Not applicable

(Amount in ₹)

S.No.	Financial Year	Net profit /(loss)
i.	Two percent of average net profit of the company as per section 135(5)	3,80,46,955/-
ii.	Total amount spent for the Financial Year	3,80,46,955/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
Iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
V	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹).	Balance Amount in unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹).
					Amount (in ₹).	Date of transfer.	
1	2021-2022	Nil	Nil	Nil	2,00,000/-	09th Sep, 2022	Nil
2	2020-2021	Nil	Nil	Nil	67,42,072/-	24th Sep, 2021 and 27th Sep, 2021	Nil
3	2019-2020	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

◯ YES ✓ NO

If yes, enter the number of Capital Assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year – Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

Sd/-

Sunil Vachani
(Chairman)
DIN:00025431

Sd/-

Atul B. Lall
(Vice Chairman & Managing Director)
DIN:00781436

Place: Noida
Date: 25th July, 2023

ANNEXURE-IV

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A

General Disclosures

Section B

Management and Process Disclosures

Section C

Principle wise Performance Disclosure

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Principle 1

Businesses should provide goods and services in a manner that is sustainable and safe

Principle 2

Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 3

Businesses should respect the interests of and be responsive to all its stakeholders

Principle 4

Businesses should respect and promote human rights

Principle 5

Businesses should respect and make efforts to protect and restore the environment

Principle 6

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 7

Businesses should promote inclusive growth and equitable development

Principle 8

Businesses should engage with and provide value to their consumers in a responsible manner

Principle 9

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L32101UP1993PLC066581
2.	**Name of the Listed Entity**	Dixon Technologies (India) Limited
3.	**Year of incorporation**	1993
4.	**Registered office address**	B-14 & 15, Phase-2, District Gautam Buddha Nagar, Noida-201305
5.	**Corporate address**	B-14 & 15, Phase-2, District Gautam Buddha Nagar, Noida-201305
6.	**E-mail**	investorrelations@dixoninfo.com
7.	**Telephone**	0120-4737200
8.	**Website**	www.dixoninfo.com
9.	**Financial year for which reporting is being done**	01-04-2022 to 31-03-2023
10.	**Name of the Stock Exchange(s) where shares are listed**	1. BSE Limited 2. National Stock Exchange of India Limited
11.	**Paid-up Capital**	₹ 119120330
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Ashish Kumar (Chief Legal Counsel & Group CS) 0120-4737200 investorrelations@dixoninfo.com
13.	**Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	The financial disclosures made in this report are on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of main activity	Description of business activity	% Of turnover of the entity (FY'23)
1	Manufacturing and Design	**Consumer Electronics:** Under the consumer electronics segment, Dixon primarily designs and manufactures LED TV and PCB	62%
		Lighting: Company designs and manufactures lighting products like LED lights, tube lights, Indoor and Outdoor drivers.	15%
		Home Appliances: Company designs and manufactures semi and fully automatic washing machines. Under this product segment, fully ODM (Original Design Manufacturing) model is followed.	16%
		Mobile Phone & EMS division & Others: Manufactures mobile phones and the associated hearables and wearables and laptops for the globally recognized brands.	5%

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product/Service	NIC Code	% of total turnover contributed
1	Consumer Electronics	26301	62%
2	Lighting	27400	15%
3	Home Appliances	27501	16%
4	Mobile & EMS Division & Others	26305	5%

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	13	1*	14
International	0	1**	1

Note:

**Company has one office in Noida, which is also the Corporate Office of the Company in India*

*** Company has one International office located in China*

17 Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company sells its products in all the 28 states and 8 Union territories in the country. (The Company supplies the products to respective brand owners who further distribute the products in the markets to the end customers)
International (No. of Countries)	The Company services in approx 10 countries across the globe.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Export constitute 0.10% of the total turnover of the Company.

c. A brief on types of customers

Dixon has a wide range of products and has built an unrivalled market dominance in the electronics manufacturing and design industry over the years. We operate on a B2B business model. Our offerings have been mapped product-wise here:

1. **Consumer Electronics:** The major customers in this segment are Xiaomi, Samsung, Hisense, VU, Nokia, Panasonic, TCL, Lloyd, Flipkart, Philips etc.

2. **Lighting Products:** The major customers in this segment are Signify, Panasonic, Wipro, Bajaj, Syska, Orient, Polycab, Luminous, Crompton etc.

3. **Home Appliances:** The major customers in this segment are Samsung, Bosch, Godrej, Voltas- Beko, Panasonic, Lloyd, Flipkart, Haier, Reliance etc.

4. **Mobile Phones, EMS & Others:** The major customers in this segment include Samsung, Acer etc.

IV. Employees

18 Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	1551	1491	96.13%	60	3.86%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**1551**	**1491**	**96.13%**	**60**	**3.86%**
	WORKERS					
4.	Permanent (F)	206	203	98.54%	3	1.46%
5.	Other than Permanent (G)	11000	7150	65%	3850	35%
6.	**Total workers (F + G)**	**11206**	**7353**	**65.61%**	**3853**	**34.38%**

b. Differently abled Employees and workers

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0%**	**0**	**0%**

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28%
Key Management Personnel	4	0	0%

20 Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	25%	20%	14%	19%	15%	22%	10%	19%
Permanent Workers	13%	8%	11%	13%	4%	11%	41%	27%	39%

IV. Holding, Subsidiary and Associate Companies (including joint ventures)

21 Names of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Dixon Global Private Limited	Subsidiary	100%	No
2	Padget Electronics Private Limited	Subsidiary	100%	Yes
3	AIL Dixon Technologies Private Limited	Joint Venture	50%	Yes
4	Dixon Electro Appliances Private Limited	Subsidiary	51%	No
5	Dixon Electro Manufacturing Private Limited	Subsidiary	100%	No
6	Dixon Technologies Solutions Private Limited	Subsidiary	100%	No
7	Rexxam Dixon Electronics Private Limited	Joint Venture	40%	No
8	Califonix Tech and Manufacturing Private Limited	Joint Venture	50%	No
9	Dixtel Communications Private Limited	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable to the Company as per section 135 of Companies Act, 2013 and rules made thereunder.

(ii) Revenue from Operations (in ₹) - ₹ 6,99,740 Lakhs

(iii) Net worth (in ₹) – ₹ 1,16,640 Lakhs

VII. Transparency and Disclosures Compliances -

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 23		FY 22	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	**Yes, the Company is having grievance redressal mechanism in place.** **Investors relations at** www.dixoninfo.com There were no grievances registered from the involved communities throughout the fiscal year. Dixon's objective is to enhance the value of the communities in and around which they operate. They achieve this goal by executing CSR projects and community engagement initiatives. These efforts encompass strategies such as organizing Focus Group Discussions (GDs) and conducting individual interactions. Additionally, if any community member encounters a concern, they have the option to contact the Chief Human Resource Officer of the Company.	0	0	0	0
Investors (other than shareholders)	**Yes. The Company is having grievances redressal mechanism in place.** **Investor Relations at** www.dixoninfo.com **No grievances were reported from the investors throughout the financial year.** Dixon employs a variety of channels to enhance value creation for investors. These include Annual General Meetings (AGMs), disclosures provided in quarterly and annual reports, Investor calls held quarterly/ half-yearly/ annually, and informative presentations. A continuous dialogue with investors is maintained to gather feedback, comments, and engage in discussions about the company's performance. To facilitate feedback on the company and its operations, Dixon offers a survey accessible on its official website. Additionally, a dedicated investor relations team is tasked with addressing the concerns and queries of investors. Should investors have any inquiries regarding financial matters, they are welcome to directly correspond with the Chief Financial Officer (CFO) of the Company.	0	0	0	0
Shareholders	**Yes, the Company has a redressal mechanism in place.** **Investors relations at** www.dixoninfo.com Throughout the year, a total of 13 complaints were received from shareholders, and each of these concerns was promptly and effectively resolved. The Company adheres to a structured process for handling shareholder grievances. An Annual General Meeting (AGM) is held, providing shareholders with an annual platform to discuss any issues or queries they may have.	13	0	44	0

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 23		FY 22	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
	During this gathering, attending shareholders have the opportunity to raise their concerns, and the Company ensures swift and appropriate actions to address and resolve these matters. Additionally, shareholders are offered a means to express their feedback through a survey available on the company's website, providing insights into the company's operations. The Stakeholders Relationship Committee is tasked with reviewing stakeholder complaints during their quarterly committee meetings. Furthermore, the investor relations team is responsible for tackling shareholder queries and issues. Shareholders also have the option to directly communicate their queries and complaints to the Chief Financial Officer (CFO) or the Chief Legal Counsel and Group CS for swift resolution.				
Employees and workers	**Yes, the Company is having grievance redressal mechanism in place wherein employees and workers can directly reach out to HR dept at their respective units.** Throughout the fiscal year, no employee or worker complaints were reported. Dixon emphasizes their well-being via Employee Engagement Initiatives, Satisfaction Surveys, and Training & Development Programs.	0	0	0	0
Customers	**Yes, the Company is having grievance redressal mechanism in place at www.dixoninfo.com** There were no customer complaints in the past financial year. Dixon operates on a B2B model, engaging business clients through personalized interactions, meetings, Feedback Mechanism Surveys, and product delivery evaluations. Queries and concerns from customers are handled by the purchase/sales team.	0	0	0	0
Value Chain Partners	**Yes, the Company is having grievance redressal mechanism in place.** **Investor relations at** www.dixoninfo.com No concerns were raised by value chain partners in the financial year. Dixon maintains connections with its partners via site visits, personal interactions, and surveys. The purchase/sales team, responsible for partner engagement, handles queries, while periodic reviews and feedback ensure information exchange.	0	0	0	0
Other (please specify)	N.A.	0	0	0	0

24 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate Whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Human Capital Development	Opportunity	From an opportunity perspective, Human Capital stands as a pivotal asset for the Company, especially within the rapidly evolving electronics industry. Amidst the dynamic changes and growth spurred by emerging and existing technologies, the Company's skilled workforce is key to remaining adaptable and relevant. This proficient labor force plays a vital role in ensuring the Company's sustainable growth. The implementation of skilling and engagement programs not only fosters holistic employee development but also secures their tenure. The Company's strategic approach involves both short-term initiatives, including induction, skill enhancement, On the Job trainings, and technical training, and long-term aspirations, culminating in a cutting-edge Centre of Excellence (COE) that nurtures theoretical and practical learning. In terms of recognition, the Company has proudly held the Great Place to Work (GWP) certification for the past two years, underscoring a remarkable organizational culture upheld by its employees. This certification serves as a testament to the Company's foundation of trust, fairness, respect, and camaraderie – the very essence of a Great Workplace.	The Company is well-prepared to address this without risk, given its implementation of diverse employee-centric initiatives, including skill development, training, and various engagement programs.	**Positive Implications** Focusing on human capital advancement will yield favorable financial outcomes for the organization. Investing in employee well-being initiatives, providing competitive compensation, and offering benefits foster a robust Company-employee relationship. This enhances retention rates, amplifies productivity, and elevates the Company's brand image.
2	Health and safety	Opportunity	**Opportunity Perspective:** Ensuring the well-being of the workforce is imperative within the workplace. Given the Company's presence in the electronics manufacturing sector, safeguarding employee safety is of paramount importance. As a result, the Company employs a well-structured approach, aiming for a zero-injuries and fatalities stance. Following the 5S methodology, it proactively prevents and addresses health emergencies. To mitigate potential hazards, workers are equipped with appropriate safety gear in the factories. For instance, in the lighting manufacturing unit, specialized goggles shield employees' eyes from high-intensity lights. The Company solidifies its dedication through a distinct occupational health and safety policy.	The Company's dedication to preserving workforce health and safety is evident in its record of zero accidents and LTIFR incidents in its operations.	**Positive implications** Protection of health and safety of the workforce will have the positive implication on the Company.

Sl. No	Material issue identified	Indicate Whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Energy Management and Emission Reduction	Opportunity	**Opportunity** Recognizing that greenhouse gas emissions significantly contribute to escalating climate change risks, the Company has diligently undertaken various measures to curtail its impact on the global greenhouse gas inventory. Prominent among these initiatives is the adoption of renewable energy sources, exemplified by solar panel installation to fulfill energy requirements, alongside the substitution of more environmentally friendly fuels like replacing HSD with PNG. Moreover, the Company consistently gauges its greenhouse gas emissions according to global benchmarks such as ISO 14064 Part 1 and ISO 14064 Part 2. This commitment to sustainability extends to enhancing energy efficiency through similar strategies.	Since Company has been undertaking several initiatives to curb greenhouse gas emissions from its operations, it is less likely to pose any risk to the Company.	**Positive implications** Climate technologies are currently in the nascent stage as a result of which initial investment into these technologies could be a costly affair. However, return on invest in the longer run, will be higher in terms of economical, social and environmental well-being.
4	Waste management	Risk	**Risk Perspective:** Waste management stands out as a significant concern for the Company. Mishandling waste could result in legal ramifications, fines, and reputational harm. Moreover, a primary waste category stemming from the Company's operations is e-waste, which carries considerable hazards. Inadequate waste management might trigger environmental contamination and jeopardize the well-being of humans and other life forms.	The Company adopts a highly proactive stance in its waste management approach. Collaborating with authorized third-party vendors sanctioned by Pollution Control Boards, the Company ensures the secure disposal of waste, including e-waste and plastic waste. This process commences with meticulous segregation at the point of origin – for instance, in the manufacturing facilities, designated bins facilitate segregated waste collection. Subsequently, the segregated waste undergoes recycling or safe disposal by authorized waste collectors. Notably, within the mobile manufacturing division, no waste generated in the production process remains with the Company. All materials, including packaging waste, are returned to the client, making them responsible for proper disposal.	**Negative implications** While engaging a government-authorized recycler might entail certain costs for the Company, these expenses pale in comparison to the substantial positive environmental and social benefits that ensue.

Sl. No	Material issue identified	Indicate Whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Product Design and Innovation	Opportunity	**Opportunity Perspective:** As new technologies emerge and existing ones evolve, the electronics industry, much like other sectors, undergoes substantial transformation. To stay aligned with these evolving needs, proactive measures are vital to consistently innovate product design and manufacturing procedures. In harmony with this principle, Dixon has made substantial investments in enhancing its Research and Development capabilities to elevate the Company's design and operational processes.	Company has state-of-the-art R&D facilities which have been working tirelessly on innovative technologies for better efficiency and performance of the design and manufacturing processes.	**Positive implications** It will have positive financial implications as development of new technologies will improve the performance, efficiency and functioning of the existing products. This will increase customer satisfaction and trust which may be reflected in positive revenue growth. However, Company will have to invest certain amount initially to enable the process.
6	Corporate Governance	Opportunity	**Opportunity Perspective:** The Company recognizes that neglecting sound corporate governance can lead to regulatory non-compliance, resulting in fines, penalties, and damage to reputation. Rising legal and financial vulnerabilities: Deficient corporate governance practices can expose the company to legal and financial hazards. To mitigate this, the Company has instituted a robust corporate governance framework, ensuring adherence to all relevant regulatory stipulations. Additionally, the formulation of various policies formalizes the Company's commitment to uphold and foster strong corporate governance practices. The Company maintains an in-house compliance management tool (Lex comply) to stay updated on laws, rules, regulations, and the latest amendments.	Company's policies and good corporate governance practices will help to build a good reputation of the Company in the market. Company's goal is that it will continue to ensure best-of the corporate governance practices in its business operations.	**Positive implications** It will result into causing positive financial implication on the Company and build its compliance image in the market and build trust amongst the shareholders.
7	Community development	Opportunity	**Opportunity Perspective:** Company is devoted to build positive and long-term relationships with the communities in which it operates. It is carrying out several CSR projects specifically on promoting education, well-being of the senior citizens, eradication of poverty and providing healthcare facilities to the community. Regular engagement of the Company with the community builds strong relationship and creates strong connect with them. Also, it results into creating long-term impact on promoting socio-economic well-being of the community.	Through its CSR activities, Company has been trying to address some of the major issues being faced by the community people. It results into promoting equitable growth/development of the community closely linked with the Company's operations.	**Positive implications** Widespread community projects and activities may have a positive impact on the Company's reputation and image. Therefore, it will have a positive financial implication on the Company.

Sl. No	Material issue identified	Indicate Whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Supply chain management	Risk	**Risk Perspective:** In globalized world, supply chain has become quite complex and extensive. Certain factors are at play for ensuring the robust and disruption-free supply chain like geo-political factors, logistical factors, quality, accessibility and availability of the materials etc. Therefore, it is quite important that effective supply chain management system is established for the sustenance of the business in the emergency situation.	The Company recognizes the significance of establishing an efficient supply chain management system, understanding that an uninterrupted and seamless supply chain is crucial for sustaining business operations. To achieve this, the Company has implemented specific measures to avert supply chain disruptions and ensure the efficacy of its supply chain processes. These initiatives encompass prioritizing local suppliers whenever feasible and leveraging SAP technologies for inventory management. Moreover, in the mobile and laptop manufacturing sector, raw materials for the production process are provided by the customer, highlighting their responsibility in the supply chain.	**Negative implications** Better supply chain management will have positive financial implications on the business.
9	Climate change strategy	Risk	**Risk Perspective:** Climate change has emerged as an undeniable reality in today's world. Notably, the repercussions of climate change, such as heatwaves, floods, and landslides, have gained prominence, prompting regulatory measures in response. Just like various other sectors, the electronics industry is vulnerable to both physical and transitional consequences of climate change. To address these challenges proactively, the Company recognizes the need to evaluate factors that could potentially impede its operations.	Company believes that first step towards improving lies with the assessment of where we currently stand. Therefore, has been considering conducting the climate risk assessment to clearly understand the impact of climate change on the Company's operations. It believes that this process will enable in charting out the effective mitigation strategies.	**Negative implications** Company will incur certain cost initially in assessment and developing mitigation strategies. However, Return on Investment (ROI) in longer run is supposed to be positive.
10	Human Rights	Risk	**Risk Perspective:** Human rights represent an intrinsic entitlement for all individuals. The Company acknowledges that safeguarding human rights not only fosters trust but also enhances its reputation among the populace. Conversely, human rights violations could trigger legal or statutory repercussions that might severely mar the Company's image. Given its values, dedication, and compliance with legal mandates, the Company has implemented exemplary measures to ensure the protection of human rights. It has devised and enforced multiple policies,	Company has been continually working to ensure the proper the compliance with the relevant statutory laws and implementation of its policies. It understands that as society is evolving at a rapid pace, it will also have to evolve its practices to be at par with the best practices and create better working environment for the people.	**Negative Implications** Safeguarding the human rights of the people will only have the positive financial implication on the Company as it will avoid any legal penalties/fines or even the cases against the Company. Better working conditions at the workplace will have

Sl. No	Material issue identified	Indicate Whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			instructing every member associated with the Company to treat others with dignity, respect, and to refrain from any behavior that could lead to harassment or be construed as such. Furthermore, the Company categorically proscribes any engagement with child labor and forced labor within its operations. This prohibition is explicitly embedded within business agreements and contracts, underscoring the Company's commitment to promoting ethical conduct even throughout its supply chain.		the positive impact on the productivity of the employees and workers and also will help build a better reputation of the Company in the market.
11	Water management	Opportunity	We see it as an opportunity to improve our water efficiency and to minimize our water costs	Sewage Treatment Plants (STP) have been set up, RO water which is discharged is re-used in toilets, cleaning utensils etc. Rain water harvesting have also been installed at various locations of the Company. Push Punch water taps have also been installed to ensure minimum wastage.	Positive implications
12	Customer relationship management	Opportunity	**Opportunity Perspective:** Company believes that fostering good relationship with the customer is primordial for business sustenance and growth.		**Positive implications** Maintaining better relationship with customers would result into positive financial implication.
13	Biodiversity management	Opportunity	**Opportunity Perspective:** Biodiversity stands as an advantageous aspect for the Company due to its minimal susceptibility to the Company's operations. None of the Company's factories are situated within or near the government-designated protected areas. Additionally, the Company's business strategy explicitly avoids establishing factories in protected or world heritage sites, further emphasizing its commitment to biodiversity preservation. Consequently, this signifies a reduced impact of the Company on biodiversity and vice versa.		
14	Data security and privacy	Opportunity	**Opportunity Perspective:** Company acknowledges that mismanagement of data can cause significant regulatory implications as well as reputational damage to the Company. To enable the same, Company has been taking initiatives to improve the information technology system of the Company. For example, Company has been getting their information technology system certified with ISO 27001.	Company has formulated and implemented data privacy policy and also has been strengthening information security system. The Company has been on a regular basis monitoring their softwares and framing stringent policies for cyber security. The Company has implemented access control and IPS/IDS in firewall which reduced the risk of unwanted access and hacking.	This will have positive financial implications on the Company as it will prevent data breaches and other cybersecurity related risks.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available**	https://dixoninfo.com/codes-policies.php								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Anti- Bribery and Anti- Corruption policy is extended to the value chain partners as well. The scope of the policy includes employees, directors, agents, consultants, contractors, customers and to all such people and institutions to which the Dixon Group (i.e. Dixon and it's subsidiaries and Joint venture Companies) is associated with, irrespective of the location,								
4.	Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.	Company has got multiple nationally and globally recognized certifications. Principle wise mapping has been provided as mentioned below:								

Principle 1	Quality Management System (9001:2015) RBA (Responsible Business Alliance) VAP
Principle 2	Environmental management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification
Principle 3	Great Place to Work-Certification, Occupational Health and Safety Management System (45001:2018)
Principle 4	Dixon does not have any code/certifications/labels aligning with Principle 4 of the NGRBCs. However, it engages with its key stakeholders on a periodic basis and addresses their queries and concerns adequately.
Principle 5	Great Place to Work-Certification, Occupational Health and Safety Management System (45001:2018)
Principle 6	Environmental management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification
Principle 7	Dixon does not have any code/certifications/labels aligning with Principle 7 of the NGRBCs
Principle 8	Dixon does not have any code/certifications/labels aligning with Principle 8 of the NGRBCs
Principle 9	ESD S20:20 RBA (Responsible Business Alliance) VAP

5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Environment:** Energy Management and Emission Reduction • Become carbon neutral by 2030 • Persistently reduce greenhouse gas emissions (YoY) **Waste Management** • Recycle 100% of the e-waste by 2030 **Water Management** • Reduce water intensity by 5% by 2027 • Amplify rainwater harvesting capacity **Biodiversity** • Commitment to not set up plants or operational activities in World Heritage areas and IUCN category I-IV protected areas **Social:** • Zero occupational workplace fatality across all units (YoY) **Governance:** • Compliance with statutory standards on environmental parameters • Continue to apply innovative technologies to develop new products

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	From Financial Year 2022-23, Company has embarked on the formal ESG journey which includes conducting materiality assessment exercise with the stakeholders and setting targets on ESG parameters. Performance with respect to these targets would be tracked and assessed once these targets are set.								

Governance, leadership, and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) –**

   The Company is deeply committed to achieving ESG-related objectives and continues to prioritize related agenda over the near and medium term. The Company's focus on ESG parameters is best reflected through values that are imbibed in all spheres of activities of the Company. The Company has adopted a Code of Conduct which guides interactions with all key stakeholders including employees, vendors, communities, investors, environment & society at large. Moreover, Corporate Social Responsibility is an integral part of its culture. One of the key features of its CSR projects is focus on participatory and collaborative approach with the community.

   The Company is committed to conducting beneficial and fair business practices to the Labour, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. Sunil Vachani, Executive Chairman Telephone- 01204737200 Email: sunilvachani@dixoninfo.com Mr. Atul B. Lall, Vice Chairman & Managing Director Telephone: 0120-4737200 Email: atullall@dixoninfo.com
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Board of Directors of the Company at it's meeting held on 25th July, 2023 constituted an ESG Committee for implementation and oversight of the sustainability and ESG related issues / strategy.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action and frequency of review for performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Company is implementing and adhering to all the policies in accordance with the applicable laws and regulations. These policies are also reviewed on an as-needed basis by the Board of Directors and/or its committees with the aim of streamlining and establishing sustainable measures in place for the company.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances and frequency of review	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Company complies with all the regulatory and legal requirements and is periodically evaluated by the respective Board committees or Board of Directors. The Company ensures that it has implemented policies to address its significant material areas such as environmental protection, employee health and safety etc.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	No, The Company has various policies in place which are reviewed periodically by the Board and it's Committees.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated: Not applicable, since all the principles are covered by company policies.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Dixon Technologies gives significant importance to conducting its business activities with integrity and ethically.

A good corporate governance framework instills trust amongst the customers and other stakeholders and promote long-term sustainability and value-creation, reduces business risks, improves operational efficiency, fosters innovation and growth and enhances the reputation and credibility of the company. As a result, the Company has established a robust corporate governance framework which guides it to conform to regulatory compliances and promote transparency about the business conduct to its stakeholders. To enable this, Company has diverse Board of Directors with wide professional and industrial experience essential to create value for the business as well as the stakeholders. Company has formulated and effected various policies which acts a guide to the Board of Directors senior management and other employees of the Company. The Code of Conduct includes best of the practices to be followed by everyone i.e. employees, senior management and Directors to ensure that the business activities have been conducted in compliance with the applicable laws and other best practices has been followed. The Code of Conduct can be accessed on the Company website, www.dixoninfo.com. This demonstrates the Company's commitment to promoting transparency, accountability and carrying out business activities with integrity and ethical practices.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	0	NA	0%
Key Managerial Personnel	1 (CFO)	Advanced Business Management	Negligible%
Employees other than BoD and KMPs	15	Leadership, Advance Quality & Cost Management, and Marketing.	Negligible%
Workers	Nil		N.A.

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

NIL

Dixon Technologies is resolute in adhering to the rule of law within its operational jurisdiction and fully complies with all relevant regulations. This commitment is substantiated by the absence of any fines or penalties, monetary or otherwise, imposed on the Company's directors or key management personnel by regulators, law enforcement agencies, or judicial institutions during the reviewed financial year. This serves as evidence of the Company's dedication to conducting its operations in accordance with applicable regulations and its continuous efforts to enhance overall performance, even encompassing sustainability aspects whenever feasible

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	No penalties have been levied on the Company				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	No non-monetary penalties have been levied onthe Company			
Punishment				

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Dixon has implemented an Anti-Corruption and Anti-Bribery Policy to deter any involvement of its personnel, including the Board of Directors, in corrupt practices. This policy extends its scope to encompass third parties, such as intermediaries, consultants, representatives, subcontractors, or any agents representing Dixon. The Company's unequivocal stance against bribery and corruption is prominently emphasized in this policy, meticulously aligned with pertinent domestic and international legal statutes. The policy is made accessible to all employees and is readily available on the Company's website. It is an extensive policy that outlines various forms of bribery and corruption in detail, serving as a clear guideline for the individuals encompassed by the policy. The same is available on the webiste of the Company at https://www.dixoninfo.com/codes-policies.php

No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against Directors/KMPs/ employees/workers.

There were no instances of corruption/bribery pertaining to Directors, Key Management Personnels, Employees and Workers.

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6 Details of complaints about conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	None	0	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	None	0	None

7 Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

As there have been no complaints filed against the Board of Directors, KMPs, Senior Management Employees, and other Company workers, no remedial actions were needed to be taken.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Dixon technologies is placed at a strategic position in the supply chain, as it is manufacturing the electronic products for some of the leading electronic brands across the globe. As a result of its global footprint, it is primordial for the Company to comply with both national as well as international rules and regulations. Also, it needs to keep its manufacturing capacity, including the infrastructural as well as technical capacity, at par with the best global practices. Resultantly, the Company has been continually innovating its product design and manufacturing capabilities. Further, its operational activities take sustainability parameters into consideration as it acknowledges that a truly sustainable company should act towards preserving the environment, proving labor/employee friendly environment at the workplace while ensuring the economic efficiency of the Company.

The Company's business endeavors are bifurcated into two distinct categories: ODM (Original Design Manufacturer) and OEM (Original Equipment Manufacturer). Under the OEM classification, the Company follows directives furnished by the business client throughout the entire product manufacturing trajectory – spanning from design conception to actual production and packaging. Conversely, in the ODM segment, the Company conceptualizes its own design, which subsequently evolves into the final product. However, the approval of the Business client remains imperative in this process as well. As such, irrespective of the product category, the Company ensures that its products are developed in a sustainable and responsible manner. For instance, the Company provides optimal workplace conditions for its factory workers, prioritizing their safety. With an environmental focus, the Company has strategically integrated solar panels at various sites and is progressively transitioning to cleaner fuel sources, such as PNG. This ecological approach significantly diminishes the Company's environmental footprint, contributing to an overall reduction in greenhouse gas emissions during operations. Moreover, stringent quality assurance procedures are executed, exemplified by the lighting segment, where QR codes are affixed to products, enabling product traceability to address any arising issues. Consequently, the Company's collective endeavors exemplify its commitment to delivering superior-quality products while concurrently safeguarding the environment and the communities within which it operates.

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	Nil	Nil	-

The Company has not incurred any R&D expenditure and CAPEX investments in specific technologies to improve environmental and social impacts of products and processes.

2 Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Dixon inherently believes in the principle of sustainable sourcing, and understands that sustainable sourcing / procurement can greatly contribute towards ensuring responsible operations of the Company. Although the Company does not have an established sustainable procurement strategy in place, it is continually undertaking measures to integrate the sustainable sourcing / procurement principle in the overall procurement strategy of the Company.

b. If yes, what percentage of inputs were sourced sustainably? N.A.

3 Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company is Committed to improving waste management strategies across it's facilities. The Company is also having a robust waste management systems to ensure disposal of waste in Compliance with applicable legislations/ Laws.

Dixon Technologies operates on a B2B (business to business) model, and they manufacture products for some of the leading companies in the electronics industry. During the operations different types of waste is generated such as plastic waste, paper waste, electronic waste etc. Company has tied-up with the authorized third-party company to safely dispose the processing waste such as Greeniva recycler. On the other hand, since Company operates in B2B segment, the provision of reclaiming of products in not applicable to the Company.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the Company's activities. Yes, the waste collection plan of the Company is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards (PCB).

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a. Details of measures for the well-being of employees.

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1694	1694	100%	1694	100%	NA	NA	0	0%	0	0%
Female	63	63	100%	63	100%	63	100%	0	0%	0	0%
Total	**1757**	**1757**	**100%**	**1757**	**100%**	**63**	**100%**	**0**	**0%**	**0**	**0%**
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

b. Details of measures for the well-being of workers:

Category	Total (A)	% Of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	203	203	100%	203	100%	203	100%	0	0%	NA	0%
Female	3	3	100%	3	100%	3	100%	0	0%	NA	0%
Total	**206**	**206**	**100%**	**206**	**100%**	**206**	**100%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers*											
Male	7150	7150	100%	0	0%	0	0%	0	0%	0	0%
Female	3850	3850	100%	0	0%	0	0%	0	0%	0	0%
Total	**11000**	**11000**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

Note: All our other permanent workers are covered under ESIC

2 Details of retirement benefits.

Benefits	FY 2022-23			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	100%	100%	Y	100%	100%	Y
Others – please specify						

3 Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

The company adheres to Rights of Persons with Disabilities Act, 2016. The Company as on date is not having any Differently abled employees or workers. But to ensure that outside persons with disabilities can access the premises/ offices with ease, the Company is thoroughly working towards developing its infrastructure such as developing ramps, setting up lifts etc.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company values diversity and strives to eliminate prejudice based on caste, creed, religion or sex. We maintain a diverse workforce with equal opportunity for growth and development for all employees, as per our Code of Conduct. Some of the production lines of the company have a substantial no. of women working in it. Pay parity is always ensured in the company. Though the Company does not have any equal opportunity policy, still the prime motive of the Company has always been providing equal working opportunities.

5 Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	6	100%	0	Nil
Total	6	100%	0	Nil

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief. -

	Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers	Employees can submit their grievances to their reporting HR Heads of respective units or to the head of Human Resources function i.e. Chief Human Resource Officer. Employees/workmen concerned can also use the Whistle Blower Policy / Vigil Mechanism or in case of grievances under the Prevention of Sexual Harassment Act, using the mechanism provided under the Act.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7 Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1551	0	Nil	1497	0	Nil
- Male	1491	0	Nil	1442	0	Nil
- Female	60	0	Nil	55	0	Nil
Total Permanent Workers	206	0	Nil	262	0	Nil
- Male	203	0	Nil	260	0	Nil
- Female	3	0	Nil	2	0	Nil

Note: The Company is having work committees at each unit to look after the grievance of the employees and workers

8 Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1491	0	N.A.	629	42.18%	1711	0	N.A	217	12.68%
Female	60	0	N.A	23	38.33%	44	0	N.A	12	27.27%
Total	**1551**	**0**	**N.A**	**652**	**42.03%**	**1755**	**0**	**N.A**	**229**	**13.04%**
Workers										
Male	7353	7353	100%	7353	100%	7781	7781	100%	7781	100%
Female	3853	3853	100%	3853	100%	4190	4190	100%	4190	100%
Total	**11206**	**11206**	**100%**	**11206**	**100%**	**11,971**	**11,971**	**100%**	**11,971**	**100%**

Note: This is the average no of workers ,however absolute figures may vary

9 Details of performance and career development reviews of employees and worker:

Benefits	FY 2022-23			FY 2020-21		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1445	1271	87.96%	1344	1088	80.95%
Female	59	46	78%	42	41	97.62%
Total	**1504**	**1317**	**87.57%**	**1386**	**1129**	**81.45%**
Workers						
Male	203	180	88.67%	251	226	90.03%
Female	03	02	66.67%	02	02	100%
Total	**206**	**182**	**88.35%**	**253**	**228**	**90.11%**

10 Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, Company has established occupational health and safety management system aligned with ISO 45001 standards at all the plant and office locations. Company believes that providing safe workplace to the workforce is a pre-requisite for the employee well-being and has a direct impact on their overall productivity. This practice also results in attracting and retaining talents and ensuring better governance of the Company. Company also has a standalone Occupational Health and Safety (OHS) policy which outlines the Company's firm commitment of zero occupational fatality across plant and office locations and principles to be complied with to fulfill the commitment.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Company has a comprehensive OHS framework which enables the identification, assessment and mitigation of the risks. Company follows the comprehensive Hazard Identification and Risk Assessment (HIRA) approach to identify the risks associated with the work. Several measures are followed for risk identification, such as regular workplace inspection and a thorough discussion with the employees and workers is conducted to understand and identify the potential risk/ threats. Further, each of the branch also maintain an OHS observation sheet in which any incident occurred is regularly recorded. Further, all the risks identified are thoroughly analysed and evaluated to understand the severity, likelihood, nature and scope of the risks and finally on the basis of the process, a robust control system is established to mitigate them. Company also conducts regular audits, both internal and external, to monitor the effectiveness of the Health and Safety management system.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, the company has processes for workers to report work related hazards and to remove themselves from such risks. All employees are trained extensively through various training mechanisms to identify work related hazards. The company has unit safety officers, to whom complaints regarding work related hazards and risks could be submitted to. These officers further proceed to solve the issues and eliminate the risks or take the risks to higher-ups in a set amount of time.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the employees of the entity have access to non-occupational medical and healthcare services.

11 Details of safety related incidents, in the following format:

	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12 Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company emphasises on occupational Health & Safety to ensure highest quality standards. Some of the measures being undertaken by the Company to ensure safe and healthy work place are:-

- Factory wise safety and environmental audits are undertaken to ensure compliance with the Act. Regular health and safety trainings and awareness sessions are conducted.
- Robust EHS Management systems in place.
- Having relevant certifications such as ISO 9001: 2015 and ISO 14001: 2015 and SOP, HIRA,RA and CAPA.
- Conducting of Monthly audits Systems and EHS MIS to. further verify if health and Safety standards are followed.

13 Number of complaints on the following made by employees and workers

Benefits	FY 2022-23			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14 Assessments for the year

	Yes/ No (If yes, then give details of the mechanism in brief)
Health and safety practices	100%
Working Conditions	Nil

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The company has CAPA SOP for each safety related observation through this method. Any non-compliances which come into light during the audits are immediately attended and closed at the earliest. Safety & security audit is also conducted across all plants on regular intervals.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Dixon Technologies tracks, maintains, and promotes its internal and external stakeholders' interests across its value chain. The Company continuously engages and communicates with all of its stakeholders, including employees, workers, customers, suppliers, investors, shareholders, retailers, civil society organisations, and local communities in areas where the Company works.

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

Dixon Technologies recognizes the pivotal role of stakeholders in establishing enduring value for the Company and propelling business expansion. Consequently, the Company emphasizes the crucial task of identifying key stakeholders and establishing a robust engagement framework to regularly interact with them. This consistent stakeholder engagement process nurtures a resilient connection and rapport between the Company and its stakeholders. Although the Company doesn't follow a formal procedure to identify stakeholders, it employs an ad-hoc approach. This approach identifies groups and entities as stakeholders if their perspectives, actions, and opinions wield substantial influence over the overall business and are significantly impacted by the Company's operations. As a result, the Company designates investors, shareholders, bankers, directors, employees, local communities, suppliers, contractors, customers, and governmental authorities as key stakeholders. The Company also has a Stakeholder Engagement policy which is placed on its website at "Codes and Policies and Terms"

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders/ Bankers	No	• Annual General meeting • Company's website • Investor / analyst meet / calls • Annual report	Quarterly, annually and as and when required	Purpose is to comply with statutory compliances and communicate them about the performance of the Company.
Employees	No	Emails, Employee survey, Notice board, Annual performance review, website, meetings, trainings etc. Company website, Employee engagement activities	As and when required	To foster a good relationship with the Company and employees which helps in promoting employee well-being, performance, career development of the employees etc.
Directors	No	Quarterly board meeting is conducted with the attendance of the directors of the Company.	As and when required	The purpose is to formulate the long-term strategy for the Company with keeping the regular oversight over the implementation and overall performance of the Company.
Community	Yes	CSR Projects	On regular basis	The purpose is to enable the social wellbeing of the Community members and establish stronger bond with them.
Customer & Suppliers	No	Emails, Newspaper, Advertising, websites, face-to-face meetings, phone calls and social media, Company website	As and when required	Customers and suppliers are one of the most important drivers of the business. Therefore, regular interactions with them enables us to address their queries and issues in effective and timely manner and build stronger relationships with them
Government Authorities	No	Regulatory Bodies – SEBI, Stock Exchanges, Ministry of Corporate Affairs, RoC. Through various Stock Exchange and ROC Filings, which includes intimation of events categorized under Reg 30 of SEBI LODR, other event-based compliances such as Corporate Governance Report, Filing of Financial Statements, etc.	Quarterly, half yearly and as and when required.	Purpose is to comply with the regulatory requirements.

PRINCIPLE 5

Businesses should respect and promote human rights

Human Rights constitute the inherent entitlements that every individual possesses by virtue of their humanity, encompassing essential facets such as the right to life and liberty.

Dixon Technologies recognizes its responsibility to uphold and advance the human rights of all individuals it engages with. Consequently, the Company is dedicated to ensuring that its business operations uphold human rights, refraining from any infringement. Beyond fostering well-being, this commitment engenders trust in the Company among stakeholders, a pivotal factor in the Company's sustained success.

To advance human rights, the Company has established and implemented a range of policies. For instance, a dedicated Non-Discrimination and Non-Harassment Policy outlines the Company's commitment to prevent any form of discrimination or harassment within the organization. Furthermore, the policy outlines provisions for disciplinary measures against those who breach its stipulations.

Further, Company actively engages with its stakeholders to address their human rights concerns.

Dixon technologies believes that safeguarding and promoting human rights should not just be act of legal compliance. Rather, it should be a moral imperative of all the citizens, including corporate citizens to make this world a better place to thrive.

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	Nil			Nil		
Other than permanent						
Total employees						
Workers						
Permanent	Nil			Nil		
Other than permanent						
Total workers						

1 Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1694	0	N.A.	1694	100%	1711	0	N.A.	1711	100%
Female	63	0	N.A.	63	100%	44	0	N.A.	44	100%
Other than Permanent										
Male	0	0	N.A.	N.A.	0%	0	0	N.A.	0	0%
Female	0	0	N.A.	N.A.	0%	0	0	N.A.	0	0%
Workers										
Permanent										
Male	203	0	N.A.	203	100%	260	0	N.A.	260	100%
Female	3	0	N.A.	3	100%	2	0	N.A.	2	100%
Other than permanent										
Male	7150	3504	49%	3646	51%	7781	3735	48%	4046	52%
Female	3850	1848	48%	2002	52%	4190	2053	49%	2137	51%

3 Details of remuneration/salary/wages, in the following format:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	24,75,990	1	-
Key Managerial Personnel	4	18,02,813	Nil	Nil
Employees other than BoD and KMP	1,757	56,924	123	42,553
Workers (Permanent)	203	21,604	3	22,870

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company's grievance committee and Chief Human Resource Officer are in charge of dealing with human rights issues. The company believes in conducting all of its business activities in the best possible way by adhering to the highest standards of Corporate Governance. As a result, anyone experiencing a problem may contact the appropriate authority to file a complaint, and quick action will be made to address the issue.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Dixon is resolute in preventing any breaches of human rights, ensuring Policy adherence through a mechanism overseen by the HR Department and routinely monitored by an Internal Committee. The HR departments at both plant locations and the headquarters maintain consistent oversight of human rights considerations. Stakeholders have secure, round-the-clock access to raise grievances or report potential Human Rights violations anonymously via the DARWIN portal.

The Company has established a well-defined process for addressing grievances related to human rights concerns. This encompasses an internal committee known as the Grievance Committee, dedicated to effectively and promptly resolving the concerns of employees and workers. Furthermore, a separate POSH (Prevention of Sexual Harassment) committee is in place, specifically tasked with addressing issues related to sexual harassment, demonstrating the Company's careful attention to such sensitive matters. Additionally, employees, workers, senior management, and other stakeholders can report human rights-related concerns to their superiors or use the whistle-blower mechanism.

6 Number of Complaints on the following made by employees and workers:

Benefits	FY 2022-23			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	No complaints have been filed by employees and workers under any of the categories.					
Discrimination at workplace						
Child Labor						
Forced Labor/Involuntary Labor						
Wages						
Other human rights related issues						

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Dixon Technologies maintains a dedicated and comprehensive non-discrimination and non-harassment policy, meticulously designed to address instances of discrimination and harassment within the organization. The Company also possesses a grievance redressal framework encompassing various stakeholders, reinforced by a dedicated committee tasked with addressing concerns. Upholding the utmost ethical standards, the Company has introduced a Whistleblower channel, enabling the reporting of legitimate concerns, whether they pertain to unlawful or unethical practices, to competent authorities. The Company guarantees the confidentiality of the complainant while prohibiting any form of retaliation, which includes threats, job loss, punitive assignments, or negative impacts on remuneration. If a complainant feels subjected to retaliation, they have the option to formally file a written complaint with the Chairman of the Audit Committee. The Company also has a policy on prevention at sexual harassment at workplace. The policy has been framed in accordance with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Dixon technologies gives utmost importance to safeguarding human rights of the people. The Company has a Code of Conduct to which the Company continually encourages its supply chain partners, contractors and customers to abide by the same. As a result of this practice, Company has incorporated the human rights related clause, such as forced and child labor as part of its business agreements and contractors. The Company on timely basis conducts independent audit of its plant operations to avoid any sort of child Labour and malpractices.

9 Assessments of the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Dixon technologies, being a committed and responsible corporate citizen acknowledges that as much important it is to establish a better system in place to address any issues related to human rights or other parameters, as is important to have robust and independent monitoring system in place. An independent assessment procedure takes a neutral approach and does the monitoring without any biases. As a result, the Company also gets independent assessment done for all of its plants on parameters like child Labour, forced and involuntary Labour and for wages. During the assessment, no risks has been identified under any of the mentioned categories. As a result, no corrective actions were required to be taken.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Dixon acknowledges the imperative of conducting business with responsibility and sustainability at its core. As a committed entity, Dixon Technologies places significant emphasis on diminishing its environmental footprint. The company espouses the adoption of top-tier environmental practices and has effectively implemented policies and procedures that drive the ongoing enhancement of its practices, systems, and operations.

A pivotal aspect of this initiative involves the gradual replacement of utilities in the Company's multiple factories with more energy-efficient models and technologies. The Company proactively addresses mounting challenges, such as climate change and global warming, by investing in solutions that not only address these issues but also transform them into opportunities. Addressing global environmental challenges is treated both as a commercial imperative and a moral responsibility toward the environment.

Efforts persist in amplifying the utilization of renewable energy, clean fuels, eco-friendly materials, energy-efficient products, conservation strategies, and the reduction of reliance on finite resources. The Business Responsibility Policy of the Company greatly facilitates this pursuit. Furthermore, the Company's facilities uphold some of the most stringent international quality benchmarks, including ISO 14001.

Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (MJ)

	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	TJ	97.8	86
Total fuel consumption (B)	TJ	10.2	20.30
Energy consumption through other sources (C)	TJ	0	0
Total energy consumption (A+B+C)	TJ	**108**	**106.30**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	TJ	0.015	0.014
Energy intensity (optional) – the relevant metric may be selected by the entity	TJ	0	0

** Turnover of the Company for the FY 2022-23 is ₹ 6,99,740 Lakhs and for FY 2021-22 is ₹ 7,48,441 Lakhs.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, Company has not identified any sites/facilities as designated consumers (DCs) under the Performance, Achieve and Trade (PAT). However, being a responsible Company, significant importance is given to incorporating sustainability parameters into the business strategies.

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water: Water supply	0	0
(ii) Groundwater	68,683	62,396
(iii) Third party water (Municipal water supplies)	0	0
(iv) Seawater / desalinated water	0	0
(v) Others (Recycled)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**68,683**	**62,396**
Total volume of water consumption (in kilolitres)	**68,683**	**62,396**
Water intensity per rupee of turnover (Water Consumer/ turnover)- KL/₹ Crore	10	8.3
Water intensity (optional) – (Water consumption/Ton of production. KL/TON)	-	-

** Turnover of the Company for the FY 2022-23 is ₹ 6,99,740 Lakhs and for FY 2021-22 is ₹ 7,48,441 Lakhs.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - NO

4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has undertaken several initiatives which would result in reducing the water consumption and effective management of the wastewater generated during the operations. Also, since Company is in electronics manufacturing industry, the use of water in the manufacturing process is almost negligible. However, significant amount of water is used during the other operational activities of the Company. It has installed STPs (Sewage Treatment Plant) in at most of their plant locations to treat the wastewater. The treated water is subsequently reused in other activities like gardening, cleaning or in the washrooms. All our units have Zero Liquid discharges mechanism as specified by the Pollution Control Board.

5 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Dixon technologies complies with the emissions norms prescribed by the government authorities in the jurisdiction of its operations. Further, it ensures to keep the emission of air pollutants restricted to the number authorized by the regulatory bodies as provided in the Consent to Operation (CTO) certificate of the Company. To ensure the compliance, Company gets the quarterly stack emissions analysis from an independent authority.

	Please specify unit	FY 2022-23	FY 2021-22
NOx	g/kwh	1.9	Not available
SOx	g/kwh	20.4	Not available
Particulate Matter (PM)	g/kwh	1.64	Not available
Persistent Organic Pollutants (POP)	-	0	0
Volatile organic Compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others- please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency-No

6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

To be worked out basis full year environment data

	Please specify unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	826	892
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	17,457	18,582
Total Scope 1 and Scope 2 emissions per rupee of turnover (tCO2e/ ₹ Crore)	tCO2e	**2.6**	**2.6**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

** Turnover of the Company for the FY 2022-23 is ₹ 6,99,740 Lakhs and for FY 2021-22 is ₹ 7,48,441 Lakhs.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency-No

7 Does the entity have any project related to reducing Greenhouse Gas emissions? If yes, then provide details.

Yes, the Company has been several steps towards reducing its carbon footprint by incorporating the sustainability principles in the overall business strategy and operations. Some of the initiatives undertaken by the Company to limit the greenhouse gas emissions which includes, inventorization of greenhouse gas emissions, installation of solar panels at various locations including the plants and office location, transitioning from the HSD (High Speed Diesel) consumption to PNG (Piped Natural Gas), new plants being established are green building certified, use of energy efficient equipment. Further, Company is also working on to upgrade its fleet of buses used for employee commute from BS4 to BS6. Moreover, the Company has always been adopting specific water consumption reduction.

8 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		-
Plastic waste (A)	9,050	NA
E-waste (B)	NA	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery Waste (E)	NA	NA
Radioactive waste (F)	NA	NA

Parameter	FY 2022-23	FY 2021-22
Other Hazardous waste. Please specify, if any. (G)	Used Oil 1,641	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	corrugated Box & Wooden- 74,608	-
Total (A+B + C + D + E + F + G + H)	**85,299**	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1,288	Nil
(ii) Landfilling	1,188	Nil
(iii) Other disposal operations	82,823	Nil
Total	85299	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency-No

9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented a robust waste management system to efficiently handle waste generated during manufacturing processes and overall operations. The foundation of this approach rests on the 3Rs framework: Reduce, Reuse, and Recycle, which aims to curb waste generation in the first place. A meticulous step-by-step process ensures effective waste management. Beginning with proper segregation at the point of origin, this process enhances recyclability and reusability of waste while minimizing the potential for environmental contamination.

In particular, for the management of e-waste and plastic waste, the Company has established partnerships with government-authorized recyclers. This collaboration diverts waste from landfills, fostering recyclability and responsible waste management. Notably, in the mobile and laptop manufacturing sector, waste generated during production doesn't remain within the Company's premises for disposal, with the exception of laptop packaging waste, for which the Company assumes responsibility. Instead, all types of waste are returned to customers, who are accountable for their appropriate management.

Furthermore, the Company has embraced the Restriction of Hazardous Substances (ROHS) directive. This entails the restriction of six hazardous materials – lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr6), polybrominated biphenyls (PBB), and polybrominated diphenyl ether (PBDE) – in the manufacturing of electronic and electrical devices.

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Company is committed to use the ecological resources responsibly and sustainably and protecting the rich biodiversity of the planet. Company ensures that none of its operational activities has any severe and irreversible impact on the biological resources or biodiversity. As a result, Company ensures that none of its operations or offices are located in/around ecologically sensitive areas/protected areas such as national parks, wildlife sanctuaries etc. All of its office locations and plants are located in the industrial area.			

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results Communicated in public domain (Yes / No)	Relevant Web link

During the reporting period, no projects undertaken by the Company needed to get the Environment Impact Assessment (EIA) done.

12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any

Yes, the Company is compliant and no fines were levied on the Company in FY 2022-23. All of the Company's plants are complying with the norms prescribed by the concerned pollution control Boards.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Dixon Technologies recognizes the importance of responsible and transparent public policy advocacy.

The Company exclusively participates in forums that have an influence on the interests of industry and its stakeholders in broad areas such as governance and administration, economic reforms, environmental safety, energy security, sustainable business practices, taxation, and water, among others. The Company's engagements with the relevant authorities are governed by the values of dedication, integrity, transparency, and the need to balance the interests of varied stakeholders.

Essential Indicators

1 a. **Number of affiliations with trade and industry chambers/ associations.**

Dixon is a member of the following trade and industry chambers and associations.

1. Confederation of Indian Industry (CII)
2. Electronic Industries Association of India (ELCINA)
3. Electric Lamp and Component Manufacturers (ELCOMA)
4. India Cellular & Electronics Association (ICEA)
5. Federation of Indian Chambers of Commerce & Industry (FICCI)
6. Consumer Electronics and Appliances Manufacturers Association (CEAMA)

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Electronic Industries Association of India (ELCINA)	National
3	Electric Lamp and Component Manufacturers (ELCOMA)	National
4	India Cellular & Electronics Association (ICEA)	National
5	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
6	Consumer Electronics and Appliances Manufacturers Association (CEAMA)	National

2 **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not applicable, since Company has not engaged in any anti-competitive activities. Company believes in conducting business with integrity by following the fair means. Therefore, neither it promotes not engage in any behaviour resulting into anti-competitive activities, Since no such cases has been filed against the Company, no corrective actions were needed to be taken.		

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Dixon Technologies is dedicated to promoting inclusive growth and equitable development in communities where the offices and plants of the company are located. Our business strategy is underpinned by our deep concern for society.

The Company views organisational performance and community wellbeing as inextricably linked. We recognise the significance of inclusive growth in the overall development of the economy. According to the Company's CSR policy, the efforts are carried out by the CSR committee of the Board.

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. -

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the 2022-23 (In ₹)
Not Applicable						

3 Describe the mechanisms to receive and redress grievances of the community.

The Company engages with the Community as a part of our CSR activities to address their concerns and needs. The mode of engagement with the Community are CSR projects, surveys etc

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	Not mapped at present	Not Mapped at present
Sourced directly from within the district and neighboring districts		

Currently, the Company does not measure the procurement spend on MSMEs and local sourcing. However, it is in the process of developing the system for the same.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Dixon Technologies firmly believes in the customers first policy. Our customers are invaluable assets who are vital to our long-term success.

They rely on our infrastructure and experience to provide high-quality products to end users. As a result, we strive to provide high-quality products that fulfil a wide range of needs. We aim to engage with our customers from time to time and add value through our world class products in a responsible manner.

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Company does not directly engage with the end customers of its products since it works on a B2B model.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

3 Number of consumer complaints in respect of the following:

Category	FY 2022-23			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Data privacy	Nil, no complaints have been received under any categories.					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4 Details of instances of product recalls on account of safety issues:

Number	Reasons for recall
Voluntary recalls	Not Applicable
Forced recalls	

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Dixon has the standalone data privacy policy. The same is available on the website of the Company at https://www.dixoninfo.com/codes-policies.php

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of consumers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

ANNEXURE-V

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

a. Conservation of energy:

Energy Conservation continues to be a key focus area for the manufacturing plants and related functions. Continuous improvement programs help to optimize, reduce specific consumption of fuel, power and water. Benchmarking of best performance, base lining of best consumption and identification of losses is considered for setting targets. Environmental sustainability is embedded in the Dixon Environmental policy which reflects that the Company pursues the path of Industrial development in harmony with the environment. As part of long term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers, stakeholders and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. As an organization, your Company is committed to the goal of sustainable and inclusive growth. As a manufacturer of electrical products, your Company has a special responsibility towards energy conservation. This is reflected in our product development efforts and process upgrades.

Also, as part of our go-green initiative, the Company has installed solar roof tops panels to reduce dependency on non-renewable sources at its facilities. This will enable your Company to reduce costs and increase operational efficiency. Your Company has converted Diesel generators (DGs) on duel fuel (HSD to PNG). Your Company from time to time train its employees and workers on energy saving measures.

Also, your Company ensures that the amount of Carbon dioxide emissions in the atmosphere as a result of the business and production activities is minimum through its Carbon disclosure program. Under this program your company keeps a track of the carbon dioxide emissions from its business activities and takes appropriate actions wherever necessary to keep the carbon emissions to its minimum levels. This way your Company is also contributing a carbon footprint strategy in the organisation.

Furthermore, your Company is careful of its water consumption and in this regard, your Company has taken measures towards waste water treatment. In this stride, your Company, at its own cost and efforts, has commissioned Sewage treatment plants (STP) in few of our manufacturing facilities. The said STP plants are monitored and supervised on daily basis. With the help of the said STP plants, your Company is successful in treating the waste water and thereby reducing water consumption. Also, to amplify the water conservation, rain water harvesting systems have also been introduced in few of our units. RO water which is discharged is re-used in toilets, cleaning utensils etc. Push Punch water taps have also been installed to ensure minimum wastage.

Some of the other conservative measures, which your Company has already implemented are:

a. Optimum usage of Air Conditioners throughout its premises by ensuring that there is no cool air leakage.

b. Usage of LCD monitors (energy efficient) in place of normal CRT monitors;

c. Turning off lights in all floors when employees are not working;

d. Turning off the air conditioners during non-peak hours and on weekends.

e. Usage of treated water to recharge ground water.

f. Installation of sun film to dissipate heat

g. Usage of LED lights for all its lighting solutions

h. Installation of Solar panels across office/ plant locations

b. Technology absorption:

The technology focus for your Company has been on process improvement for better quality, lower cost, new product development and import substitution.

(i) Your company is committed to the cause of technology absorption with the state-of-the-art facilities that caters to the design and development of products under the various segments that the Company operates in;

(ii) We have dedicated design houses and development centres across multiple locations.

(iii) For the LED TV segment, we have engineers working across own design solutions & Technology advancement with the with the able support of various TV components and this segment is steady on its path towards technological advancement.. The Company is also working towards procuring android technology license in LED TV vertical which will be a step forward in ODM solutions.

(iv) For our washing machines, technological absorption is ensured via the facility of Environmental Chamber under which various tests are classified as per the investigation requirements. Universal Testing Machine (UTM) is installed in Tirupati to check welding strength of Washing Machine Parts and Quality control. The testing facility in Dehradun is also enhanced from 45 machines to 56 machines.

Also, from FY 2023-24 onwards, a New Advance Environmental Testing Chamber will be added to Dehradun R&D Lab for Research & Testing Purpose. Also, NABL approved Lab would be installed in Dehradun R&D Lab for Energy and Performance Testing and future Research validations.

(v) Pertaining to our lighting segment, we have taken decisive strides forward. In smart lighting, Dixon has a global level R&D infrastructure for product testing and validation.

For mobiles segment, the same approach exists and technology absorption is noted via Dixon's certification as a member for Android product development, in-house reliability labs for product design, cost innovation teams as well as cooperation with recognized Test Labs for product testing and validation.

(vi) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable

(vii)the expenditure incurred on Research and Development.

(a) Capital ₹: 542 Lakhs (Previous year – ₹ 57 Lakhs)

(b) Recurring ₹: 760 Lakhs (Previous year – ₹: 545 Lakhs)

(c) Total ₹: 1302 Lakhs (Previous year – ₹ : 602 Lakhs)

(d) Total R & D expenditures as a percentage of total turnovers : 0.19% (Previous year – : 0.08%)

c. Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows as under:

Foreign Exchange Outgo (₹ in Lakhs):

Particulars	2022-23	2021-22
CIF VALUE OF IMPORTS GOODS	3,48,227	4,43,484
EXPENDINTURE IN FOREIGN CURRENCY	348	201
Total	**3,48,575**	**4,43,685**

Foreign Exchange Earnings (₹ in Lakhs):

Particulars	2022-23	2021-22
Export (FOB Basis) -	753	579

By the order of the Board
For Dixon Technologies (India) Limited

Sd/-
Mr. Sunil Vachani
Executive Chairman
DIN:00025431

Sd/-
Mr. Atul B. Lall
Vice Chairman & Managing Director
DIN:00781436

Place: Noida
Date: 25th July, 2023

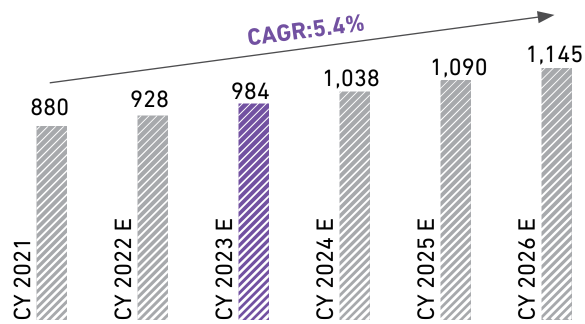
MANAGEMENT DISCUSSION AND ANALYSIS

Global EMS Industry

The global EMS market was estimated at USD 880 billion in 2021 and is expected to grow at a CAGR of 5.4% to reach USD 1,145 Billion in CY 2026. The global EMS market witnessed a period of steady growth till CY 2018, riding on the wave of increased outsourcing activities from OEMs and increasing electronics content.

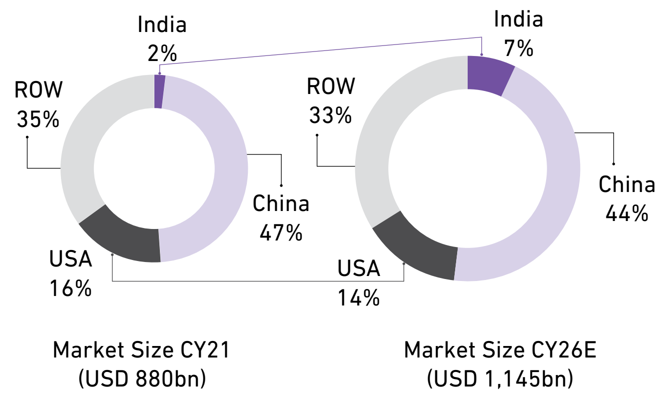
EMS industry recorded a 3.4 % decline in CY 2020. Impact on the industry was expected to be higher; however certain factors worked in favour of the industry. These factors include (i) the pent-up demand created by the need for life-sustaining medical devices, (ii) the work-from-home economy, which created demand for smartphones, tablets, and laptops, and (iii) the push for climate change, which created demand for digitalization or digital software/products/solutions that can track, monitor, measure and verify sustainability initiatives.

Global EMS industry market size, value in USD billion, CY2021-CY2026E



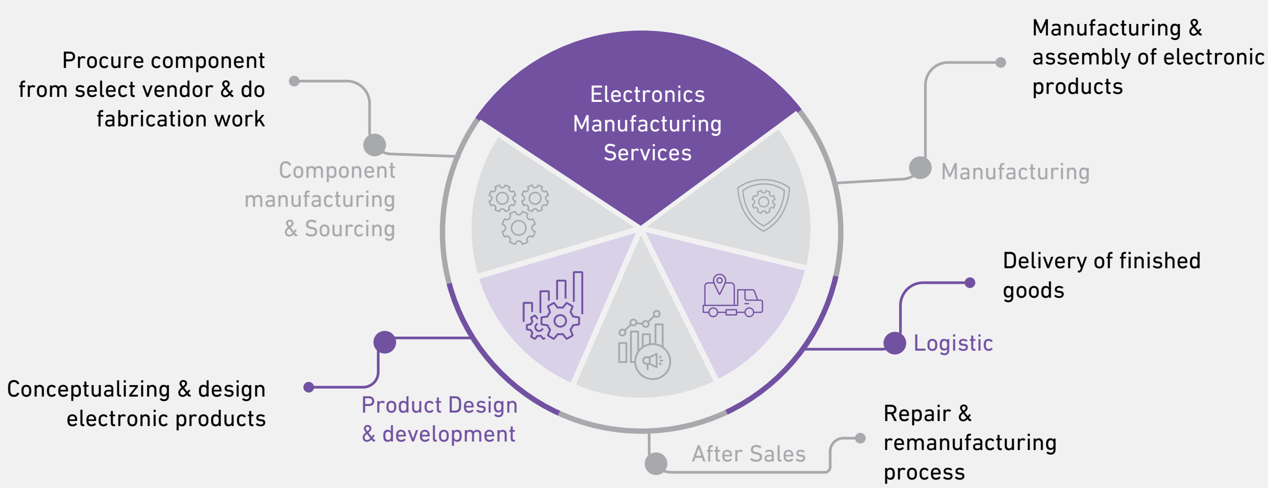
Source: Frost & Sullivan

Global Electronics System Design & Manufacturing (ESDM)



EMS companies are equipped to provide a gamut of services which include design, assembly, manufacturing, and testing of electronic components for brands. These companies can be contracted at different points in the manufacturing process. While large EMS companies have the capability to offer an entire range of services starting from design, sourcing of components, assembly, and testing (also known as ODM), small and mid-size EMS companies offer primarily assembly and testing services.

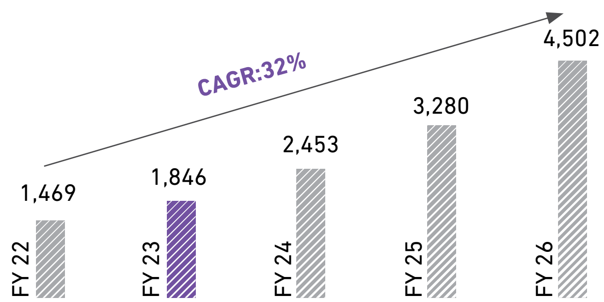
Range of services offered by EMS companies globally



Indian EMS market

The total addressable EMS market in India was valued at ₹ 3,372 bn ($ 45 bn) in FY22, and is expected to grow to ₹ 7,504 bn ($ 101 bn) in FY26 with a CAGR of 22%. However, the contribution of Indian EMS companies is around 44%, which is valued at ₹ 1,469 bn ($ 20 bn) in FY22, which is expected to grow at 32% CAGR to reach ₹ 4,502 bn ($ 60 bn) by FY26.

Indian EMS market, value in ₹ billion, FY22 -FY26E

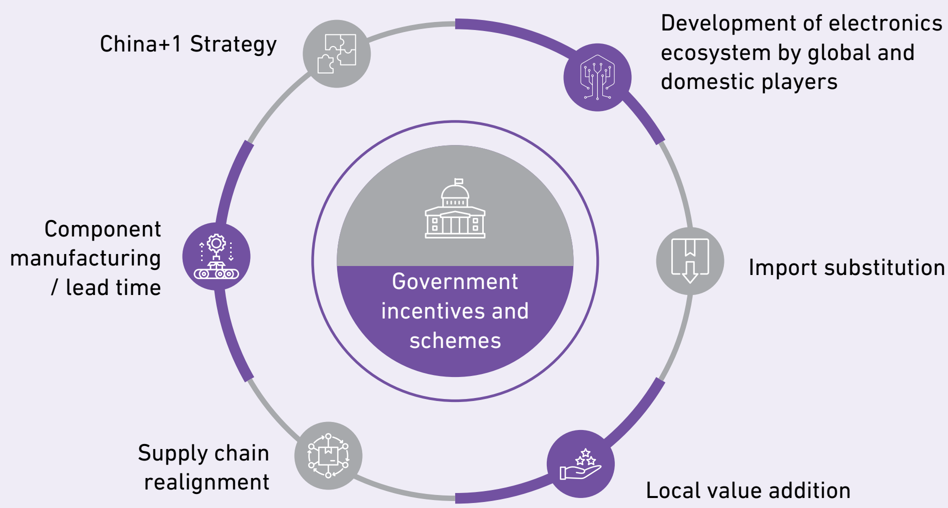


Source: Frost & Sullivan

India is positioned as a destination for high-quality design work, not merely as a low-cost alternative. Many multinational companies have established and expanded captive centres in the country.. Many EMS players are gradually expanding to provide complete design services in addition to contract manufacturing/ original equipment manufacturing. Embracing ODM model of partnership with EMS partners coupled with venturing into new product segments is propelling brands to pursue EMS engagement. High volumes will influence EMS/ODM to bring in the component ecosystem locally and enhance domestic capabilities of component sourcing thus making the electronics ecosystem stronger.

A strong consumer economy with increasing demand for consumer and industrial electronics has driven the Indian EMS sector into the forefront. Domestic electronics production in India has received a lot of attention from both industry and the government, owing to the necessity for import substitution. Favourable policy initiatives in recent years, as well as changes in the global manufacturing environment, have drawn attention to India as a preferred destination for electronics manufacturing investments.

The following driving factors for Indian EMS Business



Source: Frost & Sullivan

Segment overview

Consumer electronics

Television is one of India's fastest growing consumer electronics products. The penetration level in India is approximately around 65%, which is the largest among consumer electronics. The penetration level in Indian households is increasing due to lower manufacturing costs and increased customer affordability. Households in India are on the verge of a transformation, with a shift in choice away from conventional television sets toward smart television sets. The middle-class population's lifestyle is changing as a result of rising income levels, increased awareness, acceptance of new technology, and increased internet coverage.

The Indian television market size was estimated to be 20.2 million units by sales in FY 22 with the penetration level of around 65%. Further the market is expected to grow at a CAGR of 11% & expected to reach 30.4 million units by FY26.

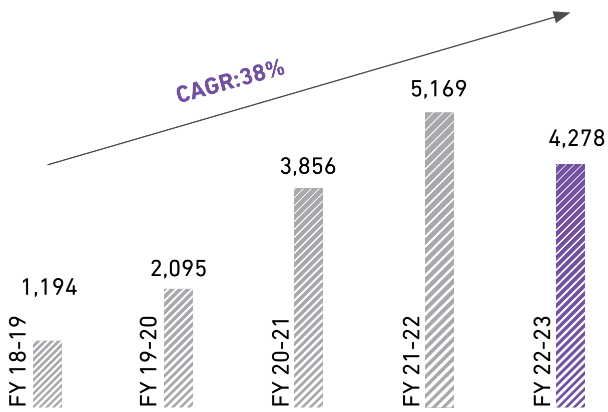
Dixon is the one of the largest LED TV manufacturer in India with annual capacity of 6.5 Million units p.a including backward integration in LCM and SMT lines which is the largest capacity in

India catering to around 30% of India's requirement. During the year we have received the ODM sub licensing rights with Google relating to Android & Google TV 60-65% of the Indian market is on this platform. Also we are starting injection moulding & investing in LED bar SMT line in line with our continued focus on backward integration strategy to deepen the level of manufacturing in India.

We are also exploring newer products such as commercial displays used in public advertisement & Information displays & Interactive boards for use in educational institutes and offices.

The consumer electronics segment contributed 35% of the total Company's revenue. For the FY 22-23, revenue was ₹ 4,278 Crores with an operating profit of ₹ 131 Crores,

Revenue (₹ Crore)



Dixon has marquee customers including both domestic & Global brands. The major customers in this segment are Xiaomi, Samsung, Hisense, VU, Nokia, Panasonic, TCL, Lloyd, Flipkart, etc

Lighting products

Indian LED lighting market is expected to grow at a CAGR of 12%, from ₹ 21,708 Crores in FY 22 to estimate to be reach ₹ 33,820 Crores by FY26.The Indian LED lighting market has seen an increase due to population growth and subsequently rapid urbanization in the last decade. With a growing rate of electricity use, demand for an environmentally sustainable and cost-effective lighting solution is also gaining momentum. Thus, LED lighting has begun to dominate the general lighting market of India tremendously in recent years.

Dixon is one of the largest LED lighting ODM companies, with the largest capacity in LED bulb products of 300 million units p.a, which is about 45% of what the country requirement. Capacity in battens is 50 million p.a & downlighters is 18 million p.a.

Our company aggressively introduced New Products in FY 22-23 & we will continue the momentum with the launch of Strip & Rope Lighting, Professional Lighting products in the course of FY 23-24, besides the launch of new LED Bulbs, Battens and Downlighters

In FY 22-23, our company received exports orders for a new customer in UAE in Q3 and Q4 of FY 22-23 & also we have received our first Export order from a customer in Germany, which will be executed in FY 23-24.

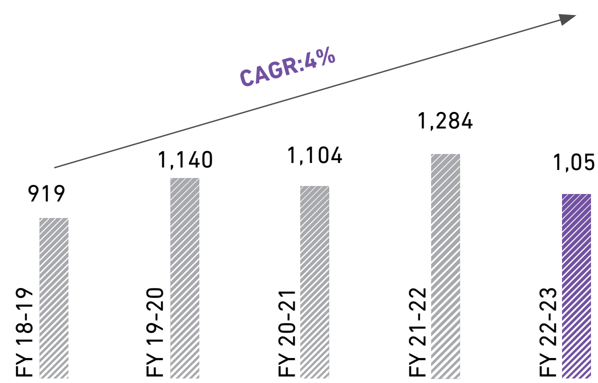
In the last year we had acquired Smart Lighting products based on the Bluetooth Mesh technology from iBahn Illuminations, which will be launched in Q2 of FY 23-24

We have already met our threshold investment in FY 2022-23 under the PLI scheme for "LED Lighting Components" in line with our backward integration strategy, which will make us even more cost competitive & the new plant for LED Lighting Components

The lighting segment contributed 9 % of the total Company's revenue. For FY22-23, Revenue was ₹ 1,055 Crore with an operating profit of ₹ 91 Crores.

The major customers in this segment are Signify, Panasonic, Wipro, Bajaj, Syska, Orient, Polycab, Luminous, Crompton etc.

Revenue (₹ Crore)



Home appliances

The home appliance segment is one of the most rapidly expanding industries in the Indian market. The sales volume of home appliances in India has been increasing at a consistent rate, driven by both large and small appliances. **India Washing Machine Market** was worth US$ 2.2 bn. in 2022 and total revenue is expected to grow at a rate of 4.5% CAGR from 2023 to 2029, reaching almost USD 3.0 Mn. in 2029.The emerging economy and changing consumer lifestyles in India have been leading to an increase in the number of working people, nuclear families, single-person households and the people migrating for work. As a result, many households are now actively seeking products that provide the perfect blend of convenience and comfort. To significantly reduce the time and effort required for daily chores, people now prefer to use different types of appliances.

The primary growth drivers for the industry are increased affordability, focus on energy-efficient products and increasing digital penetration.

In Semi-Automatic Category, company has the largest portfolio of 160 odd models ranging from 6 kg -14 kg. with a capacity of 2.4 Million annually, Also in line with our Backward Integration strategy we have set up our own Tool Room for in-house Mould Manufacturing.

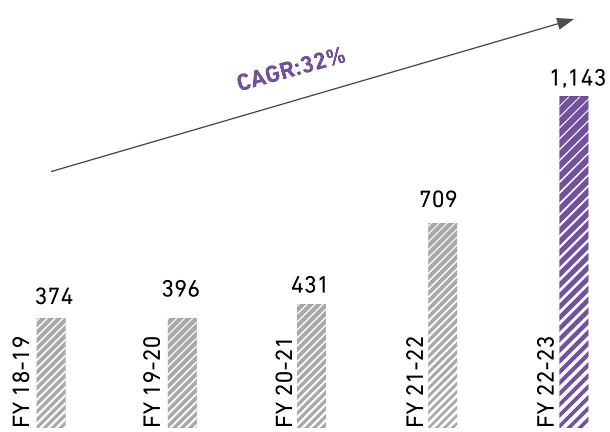
In Fully automatic category, we have a capacity of 0.6 Million with 100 variants across 6.5kg -11kg . . In addition to Bosch as an anchor customer in this category we started manufacturing for "Voltas Beko" in Aug 23 which is a large customer for us in the Semi-Automatic segment & also some new model launches for "Lloyd", "Reliance" & "Panasonic" are in the pipeline

We will be introducing more designs with new features in both the categories of Semi & Fully Automatic & increasingly investing on making this segment more R&D driven to serve the industry with the latest and innovative technologies

In FY 22-23, revenue was ₹ 1,143 Crores with an Operating profit of ₹ 109 Crores & 9.6% operating margin

The major customers in this segment are Samsung, Godrej, Voltas- Beko, Panasonic, Lloyd, Flipkart, Haier, Reliance etc

Revenue (₹ Crore)



Mobile phones

The Indian mobile phone market consists of both feature phones and smartphones. India is one of the fastest growing smartphone markets in the world. The smart phone market driven by increasing utility of smart phones due to digital payment regime and IOT related applications, availability of new features at affordable prices and increasing disposable income of the Indian consumers will be the key driving factors for smart phone adoption in the coming years. Indian smartphone segment is expected to grow at a CAGR of 14% in between FY'22 to FY'26 . On the other hand, feature phone segment will remain stagnant during this period. Overall, domestic mobile phone market is likely to grow at a CAGR of 9.7%, expected to reach 370 million units by FY'26.

According to the ICEA, mobile phones account for 46% of electronics goods exports and are predicted to reach $50 billion by FY26. The mobile phone export business continues its impressive momentum, with exports having grown by 100% and crossing ₹ 90,000 Crores for FY23. In addition, India is now exporting smartphones to developed markets, including the UK, Italy, France, Middle East, Japan, Germany, and Russia.[1]

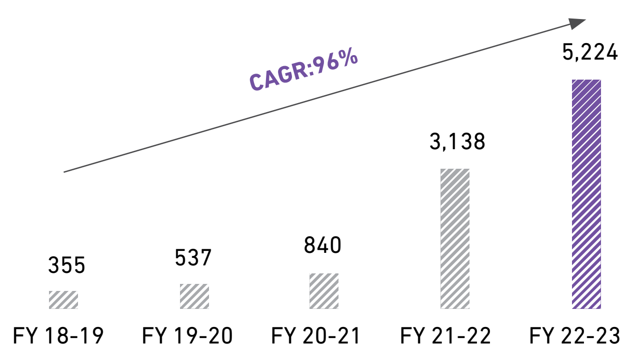
We have a very healthy order book from Motorola for FY 23-24 for both domestic & export markets. One of the significant highlights of our recent success is securing a large order of "Jio Bharat phone" exceeding 18 million units which has met with an initial success. We have entered into a strategic partnership with "Nokia" & we are manufacturing 1mn + of Feature phones per month & we expect our relationship to strengthen to 1.4 mn Feature phones per month including exports & also 5G smart phones starting Sept 23

We have also commenced manufacturing 1 mn per month "ITEL" Feature phones from July, volumes of which is expected to increase from Q3 , FY 23-24 & also got order for 0.7 mn + smart phones expected to commence production by Sept. We will also start manufacturing smart phones for Xiaomi by Sept / Oct of FY 23-24

Such large order wins showcase our reputation as a reliable and the most preferred manufacturing partner in the mobile industry. In order to meet the increased demand of our customers & gain a large market share we have leased a large 3.2 lakh square feet facility in Noida in addition to our existing 3 facilities which is expected to commence operations by Mid Aug 23.

Mobile & EMS business contributed 43% of the total Company's revenue. In FY 22-23, Revenue was ₹ 5,224 Crores with an operating Profit of ₹ 167 Crores The major customers in this segment are Samsung, Motorola, Nokia, ITEL, Jio , Karbonn etc.

Revenue (₹ Crore)



[1] https://economictimes.indiatimes.com/industry/cons-products/electronics/india-to-become-leader-in-global-mobile-phone-market-ashwini-vaishnaw/articleshow/99443911.cms

Set top box

In this vertical we had manufactured set top boxes for Jio (Den & Hathway), Dish TV, Siti cable, Sun TV in FY 22-23 & reported revenues of ₹ 157 Crore in FY 23-24

Security and surveillance

The order book in this segment looks very healthy & We have expanded the capacities from 10 mn p.a to 14 mn p.a in our new 2 lac sq ft facility in Kopparthy which got operational in May, 23. This segment contributed 4% in overall company revenue in FY 22-23, the 50% share of Dixon revenues was ₹ 492 Crores in FY 22-23 with an operating profit of ₹ 14.8 Crore

Refrigerators

Construction is underway on 20 acres facility where we are creating a capacity of 1.2 mn Direct cool category of land under various product categories of 190 L -235 L with multiple features & different star rating & expected to start production to commence by Oct,23

IT hardware products

The Govt has recently announced revised PLI scheme for IT hardware products soon with higher incentive payout. We will file our revised application with higher much revenue potential

In addition to "ACER" whose order book has been increasing monthly we are also in discussion with some Large Global Brands in this category

Telecom and networking products

We have a JV with Bharti Group & are Manufacturing GPON for Airtel & our facility in Noida got operational in Dec'22 and we have achieved the thresholds of capex & minimum revenues of 1st year under the PLI

We have bagged a large order for HD Zapper Set Top Boxes from Airtel & the mass production should start from Q2, FY 23-24. Also we won another business of Android Set Top Boxes in partnership with a global ODM, the development work has started & mass production will start from Q2, FY23-24. We also have a got a large order from "Jio" on Internet based Set Top boxes which will commence by Q3, FY 23-24 & also5G CPE devices which is expected to start from Q4, FY 23-24

We are also in active discussion with some large Global brands for existing & new product categories & building a team for joint R&D with our partners to support our end customers from India

Inverter controller boards for air conditioners

It is a 40:60 JV with Japanese company Rexxam to manufacture Inverter controller boards for Air conditioners & is based out of a new manufacturing facility in Noida, which started operations in July 2022. The JV company achieved the revenues of ₹ 239 Crore in FY 22-23 respectively

The JV Company is a beneficiary under the PLI scheme & will make a total investment of ₹ 51 Crore (Dixon's Share - ₹ 20.4 Crore) over a period of 5 years. We have achieved the capex thresholds under the PLI scheme in FY 2022-23

Wearables and hearables

On the Wearables segment the Indian market is the 3rd largest market globally & one of the fastest growing markets. We have an extremely healthy order book in this vertical & we are targeting to almost double our 50% share in Revenues in this current fiscal on account of not only higher quantities for existing SKU'S of "TWS & Neckbands" but also new SKU'S like "Bluetooth speakers" & "Smart watches" in our new facility in Noida In line with our strategy to deepen the level of manufacturing the SMT for PCBA will also be done in-house by current Financial year,FY 22-23, Revenue was ₹ 300 Crore

In addition, we have started manufacturing TWS & Smart watches for Samsung in their dedicated plant for mobile phones from Q4 , FY 22-23

[2]https://www.mordorintelligence.com/industry-reports/india-smart-wearable-market

Segment overview

Verticals	Product/Services	Revenue
Consumer Electronics	LED TVs, AC PCB	17 % YOY decrease to ₹ 4,278 Crores in FY 2022-23 from ₹ 5169 Crores in FY 2021-22.
Home Appliance	Washing machines	61 % YOY growth to ₹ 1,143 Crores in FY 2022-23 from ₹ 709 Crores in FY 2021-22
Lighting Products	LED bulbs, battens, downlighters, and so on.	18 % YOY decrease to ₹ 1,055 Crores in FY 2022-23 from ₹ 1284 Crores in FY 2021-22.
Mobile Phones and EMS	Feature and smart phones, PCB for mobile phones, medical electronics, set top boxes	66 % YOY growth to ₹ 5,224 Crores in FY 2022-23 from ₹ 3,138 Crores in FY 2021-22.
Security Systems	CCTV camera and digital video recorders (DVRs)	24 % YOY growth to ₹ 492 Crores in FY 2022-23 from ₹ 396 Crores in FY 2021-22.

Financial overview

(₹ in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Total Income (In Crore)*	12198	10701
EBITDA (In Crores)*	518	383
PAT (In Crores) *	255	190
Net Debt Equity Ratio **	0.01	0.1
Interest Coverage Ratio #	6.6	6.8
Current Ratio ##	1.1	1.2
Debtor Turnover Days!	48	41
Inventory Turnover Days!!	27	31
Operating Profit Margin ^	4.2%	3.5%
Net Profit Margin ^^	2.1%	1.8%
Return on Net Worth ^!	22.4%	21.9%

** (Long term borrowing + short term borrowing + current maturities less current investment, cash and bank balance)/ Total Equity

EBIT/Finance Cost

Current Assets/ Current Liabilities

! Average receivables/income from operations X 365 days

!! Average receivables/income from operations X 365 days

^ Operating Profit/ income from operation

^^ PAT/Income from operation

^! Net Profit/ Average Shareholder Fund

ODM % share in revenue

Years	Consumer electronics	Lighting Products	Home appliances
FY2023	23%	90%	100%
FY2022	4%	91%	100%
FY2021	5%	90%	100%
FY2020	6%	87%	100%
FY2019	9%	71%	100%
FY2018	6%	40%	100%

Research and development

Dixon's R&D centre focuses on developing for electronics hardware design, system architecture, mechanical design, component engineering, and optics design. It also offers design refinement and verification to its customers. The R&D centre in Noida is equipped with cutting-edge technology such as a photometric system for light sources and colour analysers. In addition, the Company maintains a R&D centre in Dehradun for washing machines.

The Company's R&D team is tasked with developing procedures and measures to increase the production efficiency of existing products. Improving efficiency is a continuous process, carried out in an efficient manner, that aid in cost savings. The Company has won various awards for its R&D facilities such as Development Excellence Award (semi-automatic washing machine) in 2016 from Panasonic India Private Limited. The Department of Scientific and Industrial Research has also recognised the Company's R&D unit in Noida.

Risk mitigation

Risk Category	Risk Description	Mitigation
Globalisation risk	The Indian electronics sector is under intense competition from electronic items imported from China. Cheap Chinese imports will provide an additional threat to the electronics sector.	Dixon has implemented significant steps that result in a more cost-effective manufacturing process. In addition, the Company's objective of becoming a cost-efficient player and achieving cost leadership will assist it in mitigating global economic concerns.
Experience	Experience matters the most when it comes to identifying the right opportunities for the business of the Company. It is also important to work in a direction that will help to capture the opportunities available.	The Company is in the electronics business for over 25 years. The Company's senior management has an average experience of more than 20 years in the industry. This allows the Company to tap on the right opportunities at the right time.
Industry risk	Industry risk occurs when an industry as a whole is in a stagnant or deteriorating position. This risk will impact not only the Company, but also the industry in which the Company operates.	Dixon operates in the electronics industry. With the rising cost of living and changing lifestyles, electronics industry is expected to grow in the years ahead. The industry may experience difficulties, but it will never cease to exist.
Client concentration risk	The Company faces a significant risk by relying on a small number of clients for the majority of its income. This risk relates to the possibility that the Company may lose any of its main clients, or that a difficulty in the customer's company will harm the Company as well.	Dixon has successfully maintained a strong relationship with its key customers. Also, Dixon is constantly expanding its customer base which will help it in dealing with this risk.
Regulatory risk	The business in which Dixon deals in, requires the Company to obtain or renew permits and licenses in a timely manner. The failure to do so may pose a risk to the Company's revenue.	The Company ensures obtaining or renewing its licenses, permits, consents and approvals from the government. This is being done in such a manner, that Dixon's approvals are not delayed and thus, there is no effect on the operations of the Company.
Technology risk	The business in which Dixon deals in, is affected by rapid changes in technology. The Company has to be updated with the rapidly changing technologies to stay ahead of the curve.	The Company has always moved ahead by adopting the advancing technology. Its R&D centres are equipped with the latest technology. Moreover, the Company has expanded its product portfolio in the electronics market. For example, the Company is planning to launch fully automatic washing machines to be in line with the changing technology.

Internal control system

The Company has an effective and reliable internal control system commensurate with the size of its operations. At the same time, it adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by internal audits and statutory auditors.

Human resource

People are the Company's most valuable asset. The Company has a policy of assembling outstanding talents into formidable teams. The Company continues to enhance its capabilities in acquiring and retaining the necessary talent to support a variety of products across diverse regions. It has developed a meritocratic, open and transparent culture to provide a conducive work environment to their employees.

Outlook

For outlook kindly refer to the Director's Report. Corporate Overview Statutory Reports Financial Statements.

Cautionary statement

The MDA section may contain forward-looking statements regarding future prospects. These statements involve various known and unknown risks and uncertainties, which may result in material differences between actual results and the forward-looking statements. In addition to changes in the macro-environment, the emergence of a global pandemic like COVID-19 can introduce unforeseen, unprecedented, unascertainable, and continuously evolving risks to the Company and its operating environment. The estimates and figures presented in the report are based on certain assumptions made by the Company, taking into account internal and external information that is currently available. However, the factors underlying these assumptions can change over time, leading to corresponding changes in the estimates on which they are based. It should be noted that forward-looking statements only reflect the Company's current intentions, beliefs, or expectations and only as of the date on which they were made. The Company is not obligated to revise or update any forward-looking statements in light of new information, future events, or other factors.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) read with Section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, a Report on Corporate Governance for the financial year ended 31st March 2023, is presented below:

Company's Philosophy on Code of Governance

Your Company's Corporate Governance framework is all about maintaining valuable relationship and trust with all stakeholders. We ensure that timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements, leadership and governance of the company are shared with all the stakeholders. It encourages cooperation between the Company and the stakeholders for better participation in the Corporate Governance processes.

Your Company continues to believe that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders.

Following are some of the principles which the Company follows towards philosophy of strengthening Corporate Governance structure at Dixon:

a. Timely disclosures of all the material information pertaining to corporate, finance and operations to stakeholders.

b. Adoption of new policies and upgradation of the existing policies to align them with the latest amendments and global scenario and ensuring compliance thereof in true letter and spirit.

c. Regular and timely meetings of various committees of the Board viz. Audit, Nomination & Remuneration Committee, Stakeholders Relationship, Corporate Social Responsibility, Risk Management Committee, and a separate meeting of Independent Directors.

d. A day long strategy meeting wherein all Business Heads present their strategy and annual operational plans before the Board to give them perspective and strategy of their businesses.

e. Performance evaluation of Board, Board's Committees, all Directors including Chairman and Vice Chairman & Managing Director.

f. Rolled out Director's handbook with an aim to help the Directors to attain and maintain a high standard of governance.

Your Company has complied with the governance requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and hereby presents the Corporate Governance Report for the financial year ended 31st March, 2023.

This Corporate Governance Report outlines the key aspects of the Company's governance framework and governance practices which are consistent with the SEBI Listing Regulations and other rules and regulations. Details of the key policies and practices are available on the Company's website at www.dixoninfo.com.

Board of Directors

The Board is responsible for ensuring that the Company is managed in a well-balanced manner that fulfills stakeholders' aspirations, attains sustainable growth, and adopts best corporate governance practices. The Board is further supported by Board Committee(s) who diligently and effectively discharge duties assigned by the Board. The Board evaluates and approves the governance directives, systems and processes and provides direction and goals to the Management Team to achieve good Corporate Governance. The Company's Board of Directors ("Board") shapes the long-term vision and policy approach to steadily elevate the quality of governance in the Company. The objective is to emerge as a market leader in Electronic Manufacturing Industry on a global map with focus on creating greater value for all those who have a stake in the Company.

Composition and Category of Board of Directors as on 31st March, 2023

In line with the applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force (hereinafter referred to as ("the Act") and the SEBI Listing Regulations, your Company's Board has an optimum combination of exceedingly experienced Executive and Non-Executive Directors with more than 2/3 of the Board comprising Independent Directors.

SIZE AND COMPOSITION OF BOARD

Category	Name of Director	Age (as on 31st March, 2023)
Promoter and Executive Director	Mr. Sunil Vachani	54 years 4 months
Executive Director	Mr. Atul B. Lall	61 years 2 months
Independent Directors/ Non-Executive Directors	Dr. Manuji Zarabi	75 years 7 months
	Mr. Manoj Maheshwari	57 years 2 months
	Dr. Rakesh Mohan	75 years 2 months
	Ms. Poornima Shenoy	58 years 2 months
	Mr. Keng Tsung Kuo	64 years 3 months

The detailed profile of the Board of Directors is available on the Company's website at https://www.dixoninfo.com/board-members.php

Your Company does not have any lead independent director considering the fact that each of the Independent Directors on the Board are highly experienced and distinguished in their own area of expertise/field. Each of the Independent Director are advocates of strong governance culture. Also, during the period under review, none of the Director including Independent Director resigned from the Board of your Company.

Attendance of Directors at Board Meeting(s) as on 31st March, 2023

During the period under review, 6 (six) Board meetings were held on 27th May, 2022, 30th May, 2022, 27th July, 2022, 20th October, 2022, 25th January, 2023 and 23rd March, 2023 as against the minimum requirement of four meetings in a year. The maximum time gap between any two consecutive meetings did not exceed 120 days. The agenda for each Board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document relevant to an agenda item, the same is tabled at the meeting.

Further, the minimum information required, as per Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings.

The following table shows attendance of directors at Board meetings, attendance at last annual general meeting, number of shares held in the Company and number of other directorships, chairmanships / memberships of Board committees in various other companies as on 31st March, 2023:-

Name of Director	No. of Board Meeting attended during the Financial year	Attendance at last Annual General Meeting i.e. 23rd August, 2022	Number of Shares held in the Company and Percentage	No. of Other Directors-hips #	Name of the Listed entities where person is Director and category of Directorship	No. of Membership('s) / Chairmanship('s) Of Board Committees in other Companies^	
						Chairperson	Member
Mr. Sunil Vachani	6	Present	157,47,644 26.44%	6	Dixon Technologies (India) Limited- Executive Chairman & Whole time Director	Nil	Nil
Mr. Atul B. Lall	6	Present	21,15,585; 3.55%	6	Dixon Technologies (India) Limited- Vice Chairman & Managing Director	Nil	Nil
Dr. Manuji Zarabi	6	Present	Nil	4	Dixon Technologies (India) Limited- Independent Director	Nil	Nil
Ms. Poornima Shenoy	4	Present	100 ; Negligible %	3	Dixon Technologies (India) Limited- Independent Director	Nil	1
Mr. Manoj Maheshwari	6	Present	Nil	Nil	Dixon Technologies (India) Limited- Independent Director	Nil	Nil
Mr. Keng Tsung Kuo	6	Present	Nil	2	Dixon Technologies (India) Limited- Independent Director	Nil	Nil
Dr. Rakesh Mohan	5	Present	Nil	Nil	Dixon Technologies (India) Limited- Independent Director	Nil	Nil

^In accordance with Regulation 26 of SEBI Listing Regulations, chairmanship/committee membership of Audit Committee and Stakeholders Relationship Committee of other public limited companies only has been considered.

Directorships/partnerships positions held in non-profit organisations and partnerships firms are not considered.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Companies Act, 2013 ("Act") and the Committee positions held by them in other companies. None of the Directors of your Company's Board hold the office of Director in more than 20 companies, including 10 public companies. Also, as per the provisions of SEBI (LODR) Regulations, 2015, none of the Director holds directorships in more than 7 listed entities.

As mandated by the Regulation 26 of the SEBI Listing Regulations, none of the Directors of your Company are members of more than ten Board level committees in public companies nor are they Chairman of more than five committees across all listed companies where they are directors.

Inter-se Relationship among Directors

None of the Directors are related with other Directors of the Company.

Independent Directors

Your Company has a policy on Independent Directors, their roles, responsibilities and duties. The same are consistent with the SEBI Listing Regulations and Section 149 of the Act. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment which can be accessed at https://dixoninfo.com/json/dixon/codes-policy/Terms%20of%20appointment%20of%20Independent%20Directors%20-%2031.05.2021.pdf The Independent Directors of your company fulfil the criteria of Independence as specified in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149 of the Act and rules made thereunder and they are independent of the Management of the Board.

None of the Independent Directors serve as Independent Director in more than 7 listed entities and in case of whole-time directors in any listed entity, they do not serve as Independent Directors in more than 3 listed entities

Independent Directors Databank Registration

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all Independent directors of the Company have completed the registration with the Independent Directors Databank. Requisite confirmations have been received from the Independent Directors in this regard.

Independent Directors Meeting

Pursuant to Section 149(8) read together with Schedule IV of the Act and Regulation 25(3) and 25(4) of SEBI Listing Regulations, a separate meeting of Independent Directors was held on 23rd March, 2023 to review the performance of the Non-Independent Directors including the Chairman of the Board and performance of the Board as a whole. All Independent Directors of your Company except Ms. Poornima Shenoy were present at the said Meeting.

Directors' Induction and Familiarization Programmes

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with your Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of your Company and business strategy.

Details of Familiarization programme imparted to Independent Directors wherein the Board of Directors were apprised about the functions, operations and financial positions/projections of the Company is available at the following weblink: https://dixoninfo.com/json/dixon/codes-policy/Familiarization%20Programme%20For%20Independent%20Directors.pdf Also, the Corporate Affairs Department of your Company have rolled out "Directors' Handbook" with an aim to familiarize the new Director(s) of your Company with the Business and functions of your Company. The said Handbook comprehensively covers Directors' role, responsibilities, duties and liabilities amongst others. This Handbook has been designed with an aim to help the Directors to attain and maintain a high standard of governance.

Chart or Matrix setting out skills / expertise/competence of the Board of Directors

The Board of your Company comprises of such individuals who bring in requisite skills, qualification, expertise and competence which is required on the Board and on Committees.

Mr. Sunil Vachani

Whole Time Director & Executive Chairman

Qualification	Associate of Applied Arts in Business Administrations
Experience	Over 3 decades experience in the EMS industry

Area of Skill/expertise/Competence

Strategy and Planning

Policy development

Identification of Risk

Government relations

Marketing and Communication

Business Experience

Technology/ Digital skills/ R & D

Experience in Electronic Industry

Identification of Challenges and providing solutions

Mr. Atul B. Lall

Vice Chairman & Managing Director

Qualification	Master's Degree in Management Studies from the Birla Institute of Technology and Science, Pilani
Experience	More than three decades of experience in the EMS industry

Area of Skill/expertise/Competence

- Strategy and Planning
- Policy development
- Application of Corporate Governance Principles
- Identification of Risk
- Business Experience
- Technology/ Digital skills/ R & D
- Experience in Electronic Industry
- Identification of Challenges and providing solutions
- Marketing and Communication

Dr. Manuji Zarabi

Non-Executive & Independent Director

Qualification	Doctor of Philosophy from the Indian Institute of Science, Bangalore
Experience	He has more than 3 decades of experience in the field of electronics and retired as Chairman cum Managing Director of Semi-Conductor Complex Ltd, a Government of India Enterprise in August 2005. He was also a member of the working group on development of R&D and IP in electronics formed at Deity. DeitY.

Area of Skill/expertise/Competence

- Government relations
- Technology/ Digital skills/ R & D
- Experience in Electronic Industry

Mr. Manoj Maheshwari

Non-Executive & Independent Director

Qualification	CA,CS, Post Graduate Diploma in Business Administration
Experience	More than 3 decades of experience in finance functions encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fund raising as debt and equity.

Area of Skill/expertise/Competence

- Strategy and Planning
- Application of Corporate Governance Principles
- Identification of Risk
- Qualification and experience in accounting and/or Finance
- Identification of Challenges and providing solutions

Ms. Poornima Shenoy

Non-Executive & Independent Director

Qualification	a) BA from Bangalore University and MBA from TAPMI, Manipal b) British Chevening Scholar for Women in Leadership and Management from the University of Bradford and c) Management Development Program at the University of Michigan at Ann Arbor.
Experience	Serial entrepreneur and an industry veteran and has 36 years of experience .

Area of Skill/expertise/Competence

- Strategy and Planning
- Application of Corporate Governance Principles
- Business Experience
- Marketing and Communication

Mr. Keng Tsung Kuo

Non-Executive & Independent Director

Qualification	a) Master of Electrical Engineering from National Taiwan University b) Executive MBA from National Taiwan University
Experience	More than 3 decades of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management.

Area of Skill/expertise/Competence

- Strategy and Planning
- Policy development
- Identification of Risk
- Business Experience
- Marketing and Communication
- Identification of Challenges and providing solutions
- Technology/ Digital skills/ R & D
- Experience in Electronic Industry

Dr. Rakesh Mohan

Non-Executive & Independent Director

Qualification	a) BSc (Engineering) from Imperial College of Science & Technology, University of London b) B.A. from Yale University c) MA and Ph.D. in economics from Princeton University
Experience	More than Five decades of rich and considerable experience in economic research, economic policy, public finance central banking, monetary policy, infrastructure and urban affairs

Area of Skill/expertise/Competence

- Strategy and Planning
- Policy development
- Identification of Risk
- Application of Corporate Governance Principles
- Qualification and experience in accounting and/ or Finance
- Identification of Challenges and providing solutions
- Government relations

The skill areas in the matrix will be reviewed timely by the Board to ensure that the composition of skills on the Board remains aligned with Company's stage of development and strategic direction.

Committees of the Board

The Board Committees play a crucial role in the governance structure of your Company and have been constituted to deal with specific areas / activities which concern your Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

Details of the Board Committees and other related information are provided hereunder:

A Audit Committee

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the Integrity of your Company's Financial Statements; Adequacy & Reliability of the Internal Control Systems of your Company; Compliance with legal & regulatory requirements and your Company's Code of Conduct; Performance of your Company's Statutory & Internal Auditors.

Audit Committee monitors and provides an effective supervision of the financial reporting process of your Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations. The Audit Committee discharges such duties and functions as generally indicated under Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, prescribed under the Act and such other functions as may be specifically assigned to it by the Board from time to time.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 23rd August, 2022.

Composition, Meetings and Attendance during the Year

All the members of the Committee are Independent Directors. The composition of the Committee is in line with the requirements of section 177 of the Act and the SEBI Listing Regulations. Mr. Manoj Maheshwari, Chairman of the Committee has accounting and financial management expertise. All the Committee members possess sound knowledge of accounts, finance, audit, governance and legal matters. Senior officials from the Accounts /Finance Department and representatives of Statutory and Internal Auditors are also invited to attend Audit Committee meetings.

During the financial year 2022-23, 5 (Five) meetings of the Audit Committee were held i.e. on 30th May, 2022, 27th July, 2022, 20th October, 2022, 25th January, 2023 and 23rd March, 2023. The details of the composition, meetings and attendance at the Audit Committee meetings are given hereunder:

Details of Audit Committee Meetings held during the financial year ended as on 31st March, 2023:

Name of Director	Position in the Committee	Designation	Audit Committee Meetings entitled to attend	Meetings Attended
Mr. Manoj Maheshwari	Chairman	Independent Director	5	5
Ms. Poornima Shenoy	Member	Independent Director	5	3
Dr. Manuji Zarabi	Member	Independent Director	5	5

The Company Secretary of your Company acts as the Secretary to the Audit Committee.

Brief Description of Terms of Reference

The roles and responsibilities of the Audit Committee, inter alia, include the following:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;
3. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;
4. Reviewing the utilization of loans and/or advances from/investment by the holding company in subsidiary company exceeding ₹ 100 Crores or 10% of asset size of subsidiary, whichever is lower.

B Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") has been vested with the authority to, inter alia, recommend nominations for Board membership, develop and recommend policies with respect to Board diversity; developing a succession plan for our Board and senior management.

The role and the terms of reference of the NRC are in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations.

The Chairperson of the NRC Committee was present at the last Annual General Meeting held on 23rd August, 2022.

Composition, Meetings and Attendance during the Year

Composition of the NRC is in line with the requirements of section 178 of the Act and the SEBI Listing Regulations. During the financial year 2022-23, 5 (Five) meetings of the NRC were held i.e. on 30th May, 2022, 27th July, 2022, 20th October, 2022, 25th January, 2023, 6th February, 2023. The details of the composition, meetings and attendance of the NRC are given hereunder:

Details of NRC Meetings held during the financial year ended as on 31st March, 2023:

Name of Director	Position in the Committee	Designation	Nomination and Remuneration Committee Meetings entitled to attend	Meetings Attended
Ms. Poornima Shenoy	Chairperson	Independent Director	5	4
Mr. Manoj Maheshwari	Member	Independent Director	5	5
Dr. Manuji Zarabi	Member	Independent Director	5	5
Mr. Sunil Vachani	Member	Executive Chairman	5	5

The Company Secretary of your Company acts as the Secretary to NRC.

Brief Description of Terms of Reference

Terms of reference of the NRC, inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Reviewing the terms and conditions of services including remuneration in respect of managing director and submitting their recommendations to the Board;
3. Formulation of criteria for evaluation of performance of independent directors and the Board;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board, their appointment and removal and shall carry out evaluation of every director's performance;
5. Recommend to the Board, all remuneration, in whatever form, payable to the senior Management.
6. Whether to extend or continue the term of appointment of ID on the basis of performance evaluation.

Board Evaluation Process

The Board had carried out an annual evaluation of its own performance and of its committees as well as the performance of each individual Directors. Board Evaluation Criteria Feedback was sought based on the evaluation criteria approved by the NRC for evaluating the performance of the Board, its committees and individual directors. The Executive Chairman, Vice Chairman & MD and the Independent Directors were evaluated on the following parameters.

1. The Board – Board Administration, Overall Board Effectiveness, Governance and Compliance, Member Effectiveness, Ethics, Chairman, Board Committees, Meeting through Video Conferencing, Miscellaneous.
2. Board committees – Committee Effectiveness Component including the frequency of the meetings, the chairperson of the Committee, the time allotted for agenda items, proper agenda papers and other required documents, healthy debates and discussions, action taken points from the previous committee meetings, information flow, recommendations to the Board, etc.
3. Executive Directors – Attendance at the meetings, engagement with fellow Board members, employees, strategy making, risk management, management of the company and its employees during the ongoing pandemic situation etc.
4. The Chairman – Leadership of the Board, promoting effective participation of all Board members in the decision-making process, encouraging deliberations on important matters etc.
5. Independent Directors – Independence from the Company, exercising independent judgement in decision-making, contributing strongly to the objectivity of the Board's deliberations based on their external expertise, attendance at meetings etc.

In order to ensure confidentiality, the Board's evaluation was undertaken by way of a questionnaire through an online tool by an independent agency. All the directors participated in the evaluation process. The responses received from the Board members were compiled by an independent agency and a consolidated report was submitted by the agency to the Board through the Company Secretary.

The evaluation report was also discussed at the meeting of the Board of Directors. The Board deliberated over the suggestions and inputs to augment its own effectiveness and optimise the individual strengths of the directors. The directors were satisfied with the Company's standard of governance, its transparency, meeting practices and overall Board effectiveness.

The suggestions given by the Independent Directors were duly incorporated.

Succession Planning

The NRC had reviewed the succession planning of top leadership positions in the Company. While undertaking said review the leadership competencies required for orderly succession planning was considered by the NRC.

C Stakeholders' Relationship Committee:

The Board has constituted Stakeholder's Relationship Committee pursuant to Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations to look into the redressal of grievances of shareholders and other security holders, if any. The Committee overseas the resolution of grievances of the security holders of your Company including complaints related to transfer of shares, non-receipt of annual report or non- receipt of declared dividends.

Composition, Meetings and Attendance during the Year

The Composition of the Stakeholder Relationship Committee is in line with the requirements of section 178 of the Act and the SEBI Listing Regulations. During the financial year under review, 4 (four) meetings of the Stakeholder's Relationship Committee were held i.e. on 30th May, 2022, 27th July, 2022, 20th October, 2022 and 25th January, 2023. The details of the composition, meetings and attendance of the Stakeholder's Relationship Committee are given hereunder:

Details of Stakeholders Relationship Committee Meetings held during the financial year ended 31st March, 2023:

Name of Director	Position in the Committee	Designation	Stakeholder's Relationship Committee Meetings entitled to attend	Meetings Attended
Dr. Manuji Zarabi	Chairman	Independent Director	4	4
Mr. Sunil Vachani	Member	Executive Chairman	4	4
Mr. Atul B.Lall	Member	Vice Chairman & Managing Director	4	4

The Company Secretary of the Company acts as the Secretary to the Committee.

Brief Description of Terms of Reference

Terms of Reference of Stakeholder Relationship Committee, inter alia, include the following:

1. Collecting and analyzing reports received periodically from the Registrar and the Share Transfer Agent ("RTA") on the following:

    a. Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;

    b. Complaints of investors routed by the SEBI or Stock Exchanges and others;

    c. Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transposition of share certificates;

    d. Issue of share certificates, debenture certificates, duplicate share or debenture certificates in lieu of lost/ torn/ mutilated/ defaced certificates;

    e. Requests relating to de-materialization and re-materialization of shares;

    f. Requests relating to modes of paying the dividend i.e. through electronic clearing service, RTGS and issue of dividend warrant for dividend payment/ interest etc.; and

    g. Complaints related to allotment of shares, transfer or transmission of shares, debentures or any other securities, non-receipt of annual report and non-receipt of declared dividends or any other document or information to be sent by our Company to its shareholders.

2. To redress other grievances of shareholders, debenture holders and other security holders;

3. Scrutinizing other matters related to or arising out of shareholders/ investors services including preparation and approval of periodical reports.

4. Resolving the grievances of the security holders of the Listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

5. Review of the various measures and initiatives taken by the listed entity for reducing the quantum on unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

6. Review of measures taken for effective exercise of voting rights by shareholders.

7. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

Status of Complaints during FY 2022-23

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Particulars	Number of Complaints
Investor queries/complaints pending at the beginning of the Year -1st April, 2022	NIL
Investor queries/complaints received during the Year	13
Investor queries/complaints disposed of during the Year	13
Investor queries/complaints remaining unresolved at the end of Year - 31st March, 2023	NIL

The total no. of Shareholders as on 31st March, 2023 stood at 3,67,727 as compared to 3,79,160 as of 31st March, 2022.

Also, the Company as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 (in supersession of earlier SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021) has requested the shareholders holding shares in physical mode to furnish PAN, KYC details and linking of PAN and Aadhar. The said intimation has also been uploaded on the Company's website.

Further, SEBI had vide its circular no. SEBI/HO/OIAE/2023/03391 dated 27th January, 2023 advised all the listed entities to issue an intimation letter either by email or by SMS's to all the investors who holds the shares in physical form, creating awareness amongst the investors about the availability of Dispute resolution mechanism at the stock exchanges against the listed entities/RTA. The Company has already circulated such intimation letter to all the shareholders of the Company holding shares in physical form complying with the aforesaid provisions of the circular and action taken report has been submitted to SEBI citing compliance of the provisions of the Circular on 27th February, 2023.

Details of the Compliance officer of your Company:

Name: Mr. Ashish Kumar

Designation: Chief Legal Counsel & Group Company Secretary

E-mail id: investorrelations@dixoninfo.com

D Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in accordance with the requirements of the Act. The Committee recommends the Corporate Social Responsibility projects to be undertaken by the Company and also monitors its implementation status.

Composition, Meetings and Attendance during the Year

The Corporate Social Responsibility Committee has been constituted as per the provisions of the Act. During the Financial Year under review, 4 (Four) meetings of the Committee were held i.e. on 30th May, 2022, 27th July, 2022, 20th October, 2022 and 25th January, 2023. The details of the composition, meetings and attendance of the Corporate Social Responsibility Committee are given hereunder:

Details of Corporate Social Responsibility Committee meetings held during the financial year ended 31st March, 2023:

Name of Director	Position in the Committee	Designation	Corporate Social Responsibility Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Chairman	Executive Chairman	4	4
Dr. Manuji Zarabi	Member	Independent Director	4	4
Mr. Atul B. Lall	Member	Vice Chairman & Managing Director	4	4

The Company Secretary of the Company acts as the Secretary to the Committee.

Brief description of terms of reference

Terms of Reference of Corporate Social Responsibility Committee, inter alia, include the following:

(a) Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;

(b) Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;

(c) Monitoring the corporate social responsibility policy by instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company from time to time;

(d) Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions;

E Risk Management Committee

The Risk Management Committee has been constituted in accordance with the requirements of the Act. The Committee hereby helps to identify elements of Risk in different areas of operations and to develop plans to mitigate the risks.

Composition, Meetings and Attendance during the Year

Composition of the Committee is in line with the requirements of Regulation 21 of SEBI Listing Regulations. During the financial year under review, 2 (Two) meetings of the Risk Management Committee were held i.e. on 22nd July, 2022 and 16th January, 2023.

Details of the Risk Management Committee Meetings held during the year ended 31st March 2023 are as under :

Name of Director	Position in the Committee	Designation	Risk Management Committee Meetings entitled to attend	Meetings Attended
Mr. Atul B. Lall	Chairman	Vice Chairman & Managing Director	2	2
Mr. Manoj Maheshwari	Member	Independent Director	2	2
Mr. Keng Tsung Kuo	Member	Independent Director	2	2

The Risk Management Policy of the Company was adequately revised keeping into consideration the amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Company Secretary of the Company acts as the Secretary to the Committee.

The terms of reference of the Risk Management Committee are as under:-

i. To ensure systemic risk evaluation, categorization, and prioritization thereof.

ii. To assign relative importance to identified risks and determine where appropriate management attention is required.

iii. To apply an organized, thorough approach, to effectively anticipate and mitigate the probable or realistic risks.

iv. To practice the highest level of control measures by installing mechanisms and tools, with involvement of all process-owners across the organization.

v. To develop alternative/ recommended courses of action for critical risks and control the probability of occurrence of the risk, keeping ready contingency plans for selected risks where the consequences of the risks are determined to be high.

vi. To review the activities, status and results of the risk management process with appropriate levels of management and resolve issues which are gauging potential risk exposure and addressing the same with appropriate corrective action.

vii. To obtain ,wherever required or desirable, the advice, opinion and assistance from outside legal, accounting, or other advisors, as necessary, to aid informed decision making.

viii. Carry out such responsibilities as assigned by the Board.

ix. Monitor and Review Risk Management Plan as approved by the Board.

x. Ensure that appropriate system of risk management is in place.

xi. Framing of Risk Management Plan and Policy

xii. Overseeing implementation of Risk Management Plan and Policy

xiii. Delegating authority to the sub committees as and when required

xiv. Coordinating activities with the Audit Committee in instances where there is any overlap with audit activities

xv. The Risk Management Committee shall evaluate significant risk exposures related to cyber security and assess management's actions to mitigate the exposures in a timely manner.

xvi. The Risk Management Committee shall recommend reports to the Board at such intervals as may be deemed appropriate by the Committee.

xvii. The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time."

F. Executive Committee

The Board has constituted the Executive Committee which undertakes matters related to day to day affairs of your Company.

Details of composition of Executive Committee as on 31st March, 2023 are as under:

Name of Director	Position in the Committee	Designation
Mr. Sunil Vachani	Member	Executive Chairman
Mr. Atul B. Lall	Member	Vice Chairman & Managing Director

During the year under review, 7 (Seven) meetings of the Executive Committee were held i.e. on 30th May, 2022, 23rd August, 2022, 16th September, 2022, 21st November, 2022, 12th January, 2023, 17th February, 2023, 23rd March, 2023. The details of the Executive Committee Meetings held during the financial year ended 31st March 2023 are as under.

Name of Director	Position in the Committee	Designation	Share Allotment Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Member	Executive Chairman	7	7
Mr. Atul B. Lall	Member	Managing Director	7	7

The Company Secretary of the Company acts as the Secretary to the Committee

G Share Allotment Committee

The Board had constituted the Share Allotment Committee on 31st October, 2018. The said Committee is authorized for allotment of shares, in one or more tranches, to the employees of the Company pursuant to exercise of the options vested with them in accordance with the DIXON ESOP Schemes. During the year under review, 2 (Two) meetings of the Share Allotment Committee were held i.e. on 15th November, 2022 and 7th December, 2022.

Details of Share Allotment Committee Meetings held during the financial year ended as on 31st March, 2023:

Name of Director	Position in the Committee	Designation	Share Allotment Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Member	Executive Chairman	2	2
Dr. Manuji Zarabi	Member	Independent Director	2	2
Mr. Atul B. Lall	Member	Managing Director	2	2
Mr. Manoj Maheshwari	Member	Independent Director	2	1

Research and Development Committee

The Board at its meeting held on 30th October, 2020, approved the constitution of Research and Development Committee to provide for more focus on innovative, design oriented and technology-backed solutions to leading domestic and international brands resting on the Company's manufacturing capabilities.

Composition, Meetings and Attendance during the Year

The Research and Development Committee comprises of Dr. Manuji Zarabi, Independent Director who is the Chairman of the said Committee and Mr. Atul B. Lall, Vice Chairman & Managing Director as a member.

No meeting of the Research and Development Committee was held during the year.

The Company Secretary of the Company acts as the Secretary to the Committee.

Remuneration of Directors

Remuneration Policy

Dixon's Remuneration Policy aims at attracting and retaining high caliber talent. The Remuneration Policy, therefore, is market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly. The Company adopts a comprehensive approach to remuneration in order to support a superior quality of personal and work life, combining both cash and non-cash components / benefits in a manner which judiciously balances short term and long term priorities.

The policy can be accessed at the following Link: https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy-1908.pdf. The elements of remuneration package of Executive Directors includes fixed and variable salary, commission, contribution to provident fund, perquisites and allowances, reimbursement of expenses etc. Independent Directors are paid remuneration in the form of sitting fee and one time commission.

Remuneration to Non-Executive and Independent Directors

Remuneration to Non-Executive and Independent Directors for the financial year 2022-23 are as under:

(₹ in Lakhs)

NAME OF THE NON-EXECUTIVE DIRECTOR	SITTING FEE	COMMISSION	TOTAL
Dr. Manuji Zarabi	7	12	19
Ms. Poornima Shenoy	4	12	16
Mr. Manoj Maheshwari	7	12	19
Mr. Keng Tsung Kuo	5	12	17
Dr. Rakesh Mohan	4	12	16
Total	**27**	**60**	**87**

The Company also reimburses the out-of-pocket expenses incurred by the Non-Executive and Independent Directors for attending the meetings. There were no pecuniary relationships or transactions of Non-executive and Independent directors vis-à-vis the Company during the Financial year 2022-23 other than the remuneration as detailed above.

Remuneration to Executive Directors

The Shareholders at the 28th Annual General Meeting of the Company held on 28th September, 2021 re-appointed Mr. Sunil Vachani as Whole-time Director and Mr. Atul B. Lall as Whole-Time Director and Managing Director for a term of 5 years i.e. until 4th May, 2027.

The details of remuneration paid to each of the Directors during the year ended 31st March, 2023 are given below:

Details of Remuneration of Directors:

(₹ in Lakhs)

Name of Director	Fixed Salary				Bonus / Performance Linked Incentive	Sitting Fee	Commission	Perquisite value of Stock Options	Total
	Basic Salary and allowances	Perquisites	Others	Total Fixed Salary					
Mr. Sunil Vachani	283	-	-	283	-	-	594	-	877
Mr. Atul B. Lall	280	-	-	280	-	-	594	1169	2043

Notes:

(1) The amount of Commission is calculated on the profits of Financial Year ended 31st March, 2023 as per the Financial Statements thereto and the same shall be paid during the Financial Year ending 31st March, 2024.

(2) The Commission calculated on the profits of Financial Year ended 31st March, 2022 as per the Financial Statements thereto was paid by the Company during the Financial Year ended 31st March, 2023 which was 257.40 Lakhs and ₹ 400.47 Lakhs for Mr. Sunil Vachani and Mr. Atul B Lall, respectively.

(3) For details pertaining to ESOP granted during the year, please refer Annexure – I forming part of Director's Report.

Service Contracts, Notice Period, Severance Fee

Your Company does not enter into service contracts with the Executive Directors as they are appointed/re-appointed with the approval of the shareholders for the period permissible under the applicable provisions of the Act, and/or SEBI Listing Regulations. Independent directors have been issued an appointment letter which prescribes that any Independent Director may resign from his office subject to reasonable written notice to the Board. The Company does not pay any severance fees or any such payment to the Directors.

General Body Meetings

Annual General Meetings

The date, time, location of Annual General Meetings held during last three years and the special resolutions passed there at are as follows:

Details of Annual General Meetings

Financial Year	Date and Time	Venue	Special Resolution Passed
2019-20	29th September, 2020 at 03.00 P.M.	Held through Video Conferencing pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India	a. Variation in the terms of the Object of the public issue as stated in the prospectus of the company dated 11th September, 2017 b. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placements and or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹200 Crores c. Approval of Dixon Technologies India Limited – Employee Stock Option Plan- 2020 ("Dixon ESOP 2020") d. Grant of Stock Options to the Employees of Indian Subsidiary Companies under DIXON Technologies India Limited – Employee Stock Option Plan, 2020 ("DIXON ESOP 2020")

Financial Year	Date and Time	Venue	Special Resolution Passed
2020-21	28th September, 2021 at 11.00 A.M.	Held through Video Conferencing pursuant to General Circular Nos.14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 39/2020 dated 31st December 2020 and 02/2021 dated January 13, 2021, issued by the MCA ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May 2020, Circular No. SEBI/HO/ CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India	a. Appointment of Dr. Rakesh Mohan as a Non-Executive and Independent Director of the Company b. Re-appointment of Mr. Atul B. Lall as Managing Director of the Company c. Increase in the limit of managerial remuneration payable to Mr. Atul B. Lall d. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹ 500 Crores
2021-22	23rd August 2022 at 03.00 P.M	Held through Video Conferencing pursuant to General Circular no. 20/2020 dated 5th May, 2020, 02/2021 dated January 13, 2021, 19/2021 dated 8th December, 2021,21/2021 dated 14th December, 2021 and 02/2022 dated 5th May, 2022 issued by the MCA ("MCA Circulars") and Circular No. SEBI/HO/ CFD/ CMD2/CIR/P/2022/62 dated 13th May 2022 issued by the SEBI ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")	a. Continuation of Office of Dr. Manuji Zarabi (DIN: 00648928) as a Non-Executive Independent Director of the Company beyond the age of 75 years b. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013 c. Approval of remuneration payable to Mr. Sunil Vachani (DIN: 00025431), Executive Chairman & Whole time Director of the Company as per Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015. d. Grant of stock options to the employees of Associate Companies including Joint Venture Companies, under Dixon Technologies (India) Limited —Employees Stock Option Plan, 2018 ("DIXON ESOP 2018") and Dixon Technologies (India) Limited- Employee Stock Option Plan, 2020 ("DIXON ESOP 2020")

POSTAL BALLOT

During the FY 2022-23, no special resolution was passed through the exercise of postal ballot for seeking approval of members of the Company.

Procedure for E-voting

In compliance with the provisions of Sections 108 of the Act, read with applicable rules, your Company provides electronic voting (e-voting) facility to all its members. Your Company engages the services of KFin Technologies Limited for the purpose of providing e-voting facility to all its members. Members can refer e-voting instructions provided in the Notice of Annual General Meeting. Members whose names appear on the register of members as on cut-off date i.e. 22nd September, 2023 shall be eligible to participate in the e-voting.

Participation and voting at 30th Annual General Meeting

Pursuant to the General Circular numbers, 10/2022 dated 28th December, 2022, 20/2020, 02/2021,02/2022 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by SEBI, the 30th Annual General Meeting of the Company will be held through video-conferencing and the detailed instructions for participation and voting at the meeting is available in the Notice of the 30th Annual General Meeting.

Extra-Ordinary General Body Meetings (including adjourned Meetings) during the FY 2022-23

No Extra-ordinary general meeting was held during the FY 2022-23.

Means of Communication

Results

The Quarterly and Half-yearly/Annual financial results are forthwith communicated to the BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE"), (both BSE and NSE are collectively referred to as the "Stock Exchanges") where the shares of your Company are listed, as soon as they are approved and taken on record by the Board of Directors. Additionally your Company's quarterly/half yearly/ annual financial results are simultaneously published in 'Business Standard- English and Hindi' in accordance with SEBI Listing Regulations. Also they are also put up on your Company's website at www.dixoninfo.com.

The details of announcements of Quarterly results by your Company during the FY 2022-23 are as follows:

Quarter ended	Date of Board Meeting where Quarterly results were approved	Date of Publishing in Newspaper (English And Hindi)
30th June, 2022	27th July, 2022	28th July, 2022
30th September, 2022	20th October, 2022	21st October, 2022
31st December, 2022	25th January, 2023	26th January, 2023
31st March, 2023	23rd May, 2023	24th May, 2023

Website:

Your Company's website contains a separate dedicated section 'Investors' where shareholders' information and official news releases pertaining to financial results etc., are available. Your Company's Annual Report is also available in downloadable form on the website of your Company www.dixoninfo.com.

Presentations made to Institutional Investors or to the Analysts

Your Company hosts a quarterly conference call post declaration of quarterly/half yearly/annual results of your Company, along with the discussion on the performance of the different business divisions of your Company. This is followed by the question and answer session by the analysts/ investors logged into the conference call. Presentations made, if any, to the Institutional Investors/Analysts are hosted on the website of your Company, along with the Transcripts of the Investor/Analysts Calls/Meets hosted by your Company on the website of the Company at (www.dixoninfo.com)

Details of any scheduled Analysts Meet/Conference Call are usually intimated to the Stock Exchanges in advance and the outcome of such Analysts Meet/Conference Call are intimated within the requisite timelines to the Stock Exchanges.

General Shareholder Information

Annual General Meeting

Day and Date: Friday and 29th September, 2023

Time : 11.00 a.m. (I.S.T.)

Mode : Video Conferencing/Other Audio Visual Means ("VC/ OAVM")

E-Voting dates: From 09:00 A.M. on 26th September, 2023 (Tuesday) to 05.00 P.M. on 28th September, 2023 (Thursday)

Financial Year

1st April, 2022 – 31st March, 2023

Tentative Financial Calendar – for the Financial Year ending 31st March, 2024

Quarterly Results for the Quarters ending 30th June, 2023, 30th September, 2023, 31st December, 2023, 31st March, 2024 will be approved in the Board Meetings subject to finalization of the dates by the Board of Directors. Annual General Meeting for the Financial Year 2023-24 will be tentatively held between April-September, 2024. The Financial Results/statements for the FY 2023-24 will be published in Newspapers along with intimation to Stock Exchanges, BSE and NSE. Additionally, the same will be posted on the website of your Company at www.dixoninfo.com.

Book Closure

The dates of book closure are from 23rd September, 2023 to 29th September, 2023, inclusive of both days.

Dividend Policy and Dividend details

The Company has adopted Dividend Distribution Policy of your Company in terms of the requirement of SEBI Listing Regulations. The Policy is available on the website of the Company under the weblink: https://dixoninfo.com/json/dixon/codes-policy/Dixon_dividend-distribution-policy.pdf.

Also, the Company remits the payment of Dividend through online transfer and in cases where Bank details are not updated, the Dividend for those shareholders are paid through Demand draft which are immediately dispatched to the respective shareholders. As on 31st March, 2023 an amount of ₹ 1,33,100.28 remains unclaimed by shareholders for the dividend declared during the FY 2017-18 to FY 2021-22.

Our Company suo-moto attempted to pay the unpaid dividend to the shareholders and achieved to pay the amount of unpaid dividend to 338 shareholders of total amount of ₹ 11,026.07/-.

The dividend of ₹ 3/- per equity share, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid/dispatched within 30 days from the date of ensuing AGM of the Company to all the shareholders of the Company holding shares as on the cut-off date i.e. Friday, 22nd September, 2023.The details of unpaid dividend along with due dates for transfer to IEPF are available at https://dixoninfo.com/unpaid-unclaimed-dividend-data.php

Transfer to Investor Education & Protection Fund

During the year, your Company was not required to transfer any amount to the Investor Education and Protection Fund.

Listing Details

At present, the equity shares of your company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the Financial Year 2022-23 to both the stock exchanges has been paid.

Name and Address of Stock Exchanges	Stock/ Scrip Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540699
National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	DIXON

Market price data, during each month

(In points)

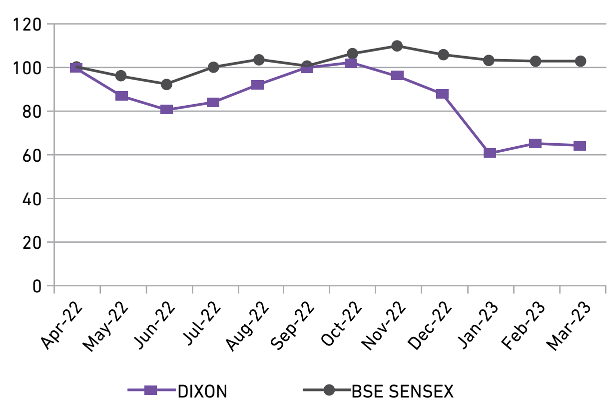
Month	BSE Sensex		NSE Nifty 500	
	High	Low	High	Low
April'22	60,845.10	56,009.07	15,477.8	14,617.05
May'22	57,184.21	52,632.48	14,798.3	13,389.75
June'22	56,432.65	50,921.22	14,300	12,855.55
July'22	57,619.27	52,094.25	14,677.75	13,192.9
August' 22	60,411.20	57,367.47	15,445.5	14,666.2
September'22	60,676.12	56,147.23	15,724.45	14,516.3
October'22	60,786.70	56,683.40	15,433.05	14,585.8
November'22	63,303.01	60,425.47	15,991.6	15,384.35
December'22	63,583.07	59,754.10	16,041.65	14,985.4
January'23	61,343.96	58,699.20	15,575.7	14,675.05
February'23	61,682.25	58,795.97	15,154.1	14,465.7
March'23	60,498.48	57,084.91	14,952.85	14,177.50

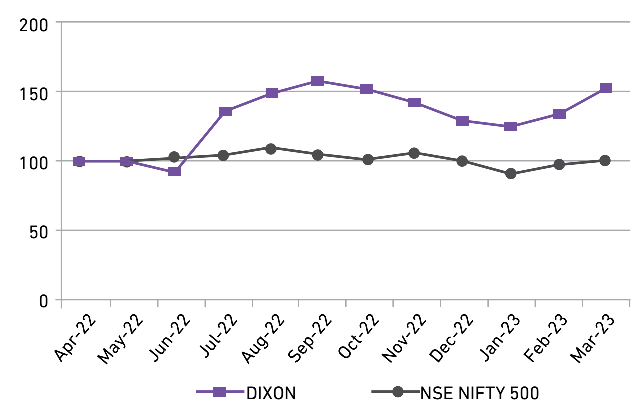
Stock Market Price Data

(In points)

Month	BSE		NSE	
	High	Low	High	Low
April'22	4,688.70	4,150.00	4,690.00	4,143.50
May'22	4,269.75	3,185.05	4,267.65	3,180.55
June' 22	3,995.25	3,250.10	3,994.30	3,250.25
July'22	4,018.05	3,510.20	4,019.50	3,508.00
August' 22	4,174.00	3,698.95	4,174.55	3,696.90
September'22	4,670.00	4,007.90	4,670.00	4,006.05
October'22	4,523.05	4,183.70	4,525.00	4,185.55
November'22	4,664.10	4,209.00	4,664.95	4,207.00
December'22	4,412.80	3,677.25	4,414.90	3,671.70
January'23	3,959.85	2,554.95	3,960.00	2,553.00
February'23	2,903.00	2,581.80	2,904.00	2,581.20
March'23	3,051.00	2,755.15	3,052.80	2,754.05

Performance in comparison to broad- based indices such as BSE Sensex, Nifty 500 Index





Declaration regarding suspension of securities

The securities of your Company have not been suspended during the year.

Company's Registrar & Transfer Agent during the year:

Your Company's Registrars & Transfer Agents ("RTA") for its share registry (both, physical as well as electronic) is KFin Technologies Limited having its office at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500032, India.

Distribution of Shareholding by size as on 31st March, 2023

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	377756	99.890525	84,29,632	1,68,59,264	14.153137
5001- 10000	137	0.036227	4,78,558	9,57,116	0.803487
10001- 20000	79	0.020890	5,84,432	11,68,864	0.981246
20001- 30000	40	0.010577	5,12,992	10,25,984	0.861301
30001- 40000	19	0.005024	3,34,855	6,69,710	0.562213
40001- 50000	6	0.001587	1,31,851	2,63,702	0.221374
50001- 100000	42	0.011106	14,62,712	29,25,424	2.455856
100001& Above	91	0.024063	4,76,25,133	9,52,50,266	79.961385
Total	**378170**	**100.00**	**5,95,60,165**	**11,91,20,330**	**100.00**

Dematerialisation of Shares and liquidity:

As on 31st March, 2023, 99.9997% of shareholding of your Company was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number ("ISIN") allotted to your Company's Shares is INE935N01020.

Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity as of 31st March, 2023

Your Company does not have any outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2023.

Details of Public Funding Obtained:

During the FY 2022-23, your Company has not raised any moneys by way of further public offer.

Commodity Price risk or foreign exchange risk and hedging activities

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not applicable

Your Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies. Your Company hedges the risk involved in the Forex exposure by taking suitable forward contracts against the Forex exposure.

Details of foreign currency exposure are disclosed in Notes forming part of financial statements of this Annual Report.

Details of utilization of funds raised through preferential allotment or qualified Institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations are not applicable on the Company for the current financial year.

The Company has not raised any funds through preferential allotment or institutional placement, therefore such Regulation 32(7A) is not applicable on your Company.

Details of recommendation of Committees of the Board which were not accepted by the Board

Nil- All recommendations of the Committees of the Board were duly accepted by the Board.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

(₹ in Lakhs)

Name of entity	Fees paid during FY 2022-23
Dixon Technologies (India) Limited	40
Dixon Global Private Limited	4
Padget Electronics Private Limited	29
Dixon Electro Appliances Private Limited	2
Dixon Electro Manufacturing Private Limited	0.89
Dixon Technologies Solutions Private Limited	0.54
Dixtel Communications Private Limited	0.12

Disclosure in relation to Sexual Harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013:

a. Number of complaints filed during FY 2022-23: 0

b. Number of complaints disposed of during FY 2022-23: 0

c. Number of complaints pending as on end of the FY 2022-23:0

Plant Locations

Following are the list of Manufacturing Facilities/Corporate office located PAN India, on consolidated basis as on the date of the report:

Plant location (Addresses)	Products manufactured
B-14 & 15, Phase-II, Noida-201305	Corporate Office
B-18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	PCB for Air Conditioners
C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	LED Bulbs
Plot No. 6, Sector-90, Noida	Mobile phones/ Laptops.
A – 23, Sector-60, Noida	Mobile Phones
First Floor, Plot No.154C, Block-A, Sector-63, Noida	Mobile Phone, Laptop
Khasra No 1050, Central Hope Town, Selaqui Industrial Area, Dehradun, Uttarakhand	LED bulbs, Battens, T-LEDs, Down Lighter, Ballast, etc.
Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand	Washing Machines
Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand	Backward integration of plastic parts and sheet metal components
Khasra No. 261MIN, Central Hope Town, Selaqui, Dehradun, Uttarakhand-248197	Backward integration of plastic parts and sheet metal components
Plot no 992/2, Selaqui Industrial Area, Dehradun, Uttarakhand	LED bulb repairing
Plot No. C-2/1, UPSIDC (SIDCUL), Industrial Area, Tehsil Vikas Nagar, Dehradun, Uttarakhand	Washing Machine
Shed No. 2, 4, 5, 6, 7, 8, 9, 10 EMC II, Govindavaram, Chittoor- 517526	LED TVs & Reverse Logistics
Shed 1-4, YSR EMC-II, Kadapa, Kopparthy	CCTV & Security Systems
Plot No. 1-4, Rural Industrial Complex, VPO-Hambran, Ludhiana	Telecom
Plot No. 30 & 31. Govindavaram panchayat, Tirupati	Washing Machine
Plot no. 122 & 265, Central Hope Town, Selaqui, Dehradun	Lighting
Plot No. C-8, SIDCUL Industrial Area, Selaqui Dehradun, Uttarakhand	Washing Machine
B-14. Sector-85 Noida	Telecom
B-17, Sector-85 Noida	Wearables & Hearables
A-14, Sector-68 Noida, Gautam Buddha Nagar-201301	Mobile
EMC-2, Shed 12 & 13, Vikruthmala, Yerpedu Mandal, Chittoor, District, Andhra Pradesh	TV Mould

Consolidation of folios and avoidance of multiple mailing

In order to enable your Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Transfer Agent indicating the folio numbers to be consolidated. The address of RTA is given herein below:

Address for correspondence:

Shareholding related queries:	General Correspondence
KFIN TECHNOLOGIES LIMITED Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500 032, India Toll free: 18003094001 E-Mail:einward.ris@kfintech.com	**DIXON TECHNOLOGIES (INDIA) LIMITED** B-14 & 15, Phase-II, Noida, UttarPradesh-201305 Tel: 0120-4737200 Fax:0120-4737273 E-Mail: investorrelations@dixoninfo.com Website: www.dixoninfo.com

List of Credit Ratings

A. You may refer Director's Report for Credit ratings issued by ICRA during the FY 2022-23;

B. Credit ratings for debt instruments or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad are forming part of the Director's report.

Other Disclosures

Material Related Party Transactions:

Your Company's major related party transactions are generally with its Subsidiaries and Joint Venture Companies. The related party transactions are entered into based on consideration of various business exigencies, such as synergy in operations. All the arrangements / transactions entered by your Company during the financial year with related parties were in the ordinary course of business and at an arm's length basis. During the year under review, your Company had entered into contract/ arrangement / transaction with related parties which could be considered material in accordance with the materiality policy of the Company of related party transactions. For details on the Related Party Transactions please refer the notes to Financial Statements, forming part of the Annual Report.

None of the transactions with any of related parties were in conflict with your Company's interest. Your Company's materiality Policy on Related Party Transactions is available on your Company's website and can be accessed at https://dixoninfo.com/json/dixon/codes-policy/Dixon_Related-Party-Transaction-Policy.pdf.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee and the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the SEBI Listing Regulations and other applicable laws for approval / information. Prior Omnibus approval is obtained for Related Party Transactions which are of repetitive nature.

Further, as per Regulation 23(9) of the SEBI Listing Regulations, your Company has also filed the details of related party transactions on a consolidated basis with the stock exchanges as per the timelines specified under the said Regulations.

Disclosure of the Loans and advances in the nature of loans to firms/companies in which directors are interested are as under:

S. No.	Nature of Transaction	Nature of Transaction	Name of the Firms/Companies in which Directors are interested	Amount (In Lakhs)
1.	Dixon Technologies (India) Limited	Loan Given	Padget Electronics Private Limited	87,609
2.	Dixon Technologies (India) Limited	Loan Given	Dixon Electro Appliances Private Limited	1,731
3.	Dixon Technologies (India) Limited	Loan Given	Dixon Electro Manufacturing Private Limited	15,079
4.	Dixon Technologies (India) Limited	Loan Given	Dixon Technologies Solutions Private Limited	2,410

Details of material subsidiaries of the Listed Entity:

S. No.	Name of the Material Subsidiary	Date and Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor
1.	Padget Electronics Private Limited	10/06/2013 and Noida	M/s JKVS & Co.	14th August, 2019

Particulars of Senior Management (including changes therein since 31st March, 2023)

The details of Senior Management of the Company (including changes therein as on date of the report) as per the definition specified in Regulation 16 of the SEBI (LODR) regulations:

1. Mr. Abhijit Kotnis (President & Chief Operating Officer- Consumer Electronics)
2. Mr. Rajeev Lonial (President & Chief Operating Officer- Home appliances)
3. Mr. Pankaj Sharma (President & Chief Operating Officer- Security Surveillance)
4. Mr. Ashish Kumar (Chief Legal Counsel & Group Company Secretary)
5. Mr. Saurabh Gupta (Chief Financial Officer)
6. Mr. Nirupam Sahay (President & Chief Operating Officer- Lighting Solutions)

7. Mr. Kamlesh Kumar Mishra (President - Mobile)
8. Mr. Kishore Kumar Kaul- (Business Head- New Vertical)
9. Mr. Arjun Singh- Chief Human Resource Officer (CHRO)
10. Mr. Jyoti Prakash Nanda- (Associate Vice President- IT)
11. Mr. Suneel Kumar Singh- (Vice President)
12. Mr. Ashish Mohanty- Vice President (LED TV)
13. Mr. Fateh Singh Sachdeva – Vice President (Quality)
14. Mr. Praveen Tandon- Vice President (Washing Machine)
15. Mr. Lakshmipathy Karanam Natarajan- Vice President
16. Mr. Amit Mittal- Senior Vice President (Operation)
17. Mr. Amit Pradhan- Vice President (IT)
18. Mr. Kunal Chaudhuri Vice President (Lighting)
19. Mr. Vishal Goyal- Associate Vice President (Washing Machine)
20. Mr. Kailash Chander Sharma- Vice President (Store)
21. Mr. Nityanand Pandey- Senior Vice President (Washing Machine)

Details of non-compliance by your Company, penalties, and strictures imposed on the company by stock exchange or SEBI, or any statutory authority, on any matter related to capital markets

There has not been any non-compliance, penalties or strictures imposed on your Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

Vigil Mechanism / Whistle Blower Policy

Your Company has adopted "Whistle Blower Policy" which provides a vigil mechanism for dealing with instances of fraud, mismanagement, unethical behaviour, actual or suspected violation of the Company's code of conduct.

This Policy is your Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Policy reflects your Company's commitment to principles of integrity, transparency and fairness.

Your Company hereby affirms that no Director/employee have been denied access to the Chairman of the Audit Committee. There was no complaint received through the said mechanism during the FY 2022-23.

This Policy is overseen by the Audit Committee. Through the said Policy, Directors and employees can report concerns of unethical behaviour, actual or suspected fraud or violation of your Company's 'Code of Conduct'. The said Policy provides adequate safeguards to the Whistle Blower against victimization. The Whistle Blower Policy has also been uploaded on the website of the Company at https://dixoninfo.com/json/dixon/codes-policy/Whistle-blower-policy.pdf.

Also, during the year, the Company organised workshop/training programme for its employees and staff to create awareness on sexual harassment law.

Compliance with mandatory and adoption of non-mandatory requirements of the SEBI Listing Regulations

Your Company has complied with mandatory requirement of the SEBI Listing Regulations. In compliance with the said Regulations, your Company has obtained a certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance. The said certificate is annexed to this Report.

Your Company has also adopted the non-mandatory requirements specified under Part E of Schedule II of SEBI Listing Regulations regarding direct reporting of Internal Auditor of your Company to the Audit Committee of the Board of Directors. These are as under :

S.No.	Particulars	Status
1	**Board** Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not Applicable as our Chairperson is Executive.
2	**Shareholders' Right** A Half - Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders	The Company's half-yearly and quarterly results are published in leading English and Hindi newspapers and also uploaded on the website of the Company. The Company has taken adequate steps to educate the shareholders on the performance of the Company through timely disclosures on the stock exchange, discussions and deliberation at the quarterly results Investor calls.
3	**Modified opinion in Audit Report** The listed entity may move towards a regime of financial statements with unmodified opinion	Complied. There is no qualification in the Audit Report for the FY 2022-23.
4	**Reporting of Internal Auditor** The Internal Auditor may report directly to the Audit Committee	Complied - The Internal Auditors of the Company are present in Audit Committee Meetings, and they report to the Audit committee by presenting their internal audit reports and findings.
5	**Separate Posts of Chairperson and the Managing Director or CEO**	Not Complied- The post of Chairperson and Managing Director or CEO is different.
6	**Reporting of Internal Auditor**	The Internal Auditor of the Company attends the meeting of the Audit Committee on regular basis and provides its report directly to the Audit Committee.

Also, certificate from Practicing Company Secretary has been obtained to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board or Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate is annexed to this Report.

Weblink:

a. Web link of Policy for determining 'material' subsidiaries is https://dixoninfo.com/json/dixon/codes-policy/Policy%20on%20Material%20Subsidiary.pdf and;

b. Web link of Policy on dealing with related party transactions is https://dixoninfo.com/json/dixon/codes-policy/Dixon_Related-Party-Transaction-Policy.pdf

Disclosure of certain types of Agreements binding listed entities

No agreements have been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or which imposes any restriction or creates any liability upon the Company.

Non Compliance of any Requirement of Corporate Governance Report

Your Company has not made any non- compliance of any requirement of Corporate Governance Report

Confirmation of Compliance with the Corporate Governance Requirements Specified in Regulation 17 To 27 And Clauses (B) to (I) of Sub-Regulation 2 of Regulation 46 of Sebi Listing Regulations

Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

Compliance Management

The Corporate Affairs Department ensures that your Company conducts its businesses with high standards of compliance in legal, statutory and regulatory provisions. Your Company has instituted an online legal Compliance Management System in conformity with the best Industry standards which gives the compliance status on real time basis.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

General Shareholders' Information

Disclosures with respect to demat suspense account/ unclaimed suspense account

Your Company does not have any securities in the demat suspense account/unclaimed suspense account.

General shareholder information required under regulation 36(3) of the SEBI Listing Regulations:

Name of Director	Mr. Sunil Vachani	Mr. Keng Tsung Kuo	Mr. Arun Seth
Nature of Appointment	Director liable to retire by rotation	Independent Director	Independent Director
DIN	00025431	03299647	00204043
Date of Birth	27th November, 1968	4th December, 1958	19th November, 1951
Date of Appointment/ Re-appointment	Date of appointment- 5th May, 2017 Date of Re-appointment- 5th May, 2022	12th April, 2019	To be approved at the ensuing Annual General Meeting.
Qualification	Degree of Associate of Applied Arts in Business Administration from the American College in London	Master of Electrical Engineering & Executive MBA from National Taiwan University	Alumnus of IIT Kanpur and IIM Calcutta.
Expertise in Specific area	Mr. Sunil Vachani has nearly three decades of experience in the EMS industry. He is associated with the Company since its inception and under his reins, the Company has been adjudged as one of the leading Indian EMS by various trade journals and industry bodies . Mr. Vachani has been associated with various industry bodies and has headed ESC (Electronics Software Export Promotion Council of India) for 2 years besides being active in Confederation of Indian Industry (CII) as the Co-Chair of ICTE Committee & Executive Committee member of CEAMA (Consumer Electronics and Appliances Manufacturers Association).	He has over 30 years of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management.	Mr. Seth has worked in senior commercial positions in British Telecom, HCL, Usha Martin and the UB Group, in the last 40 years. He was a Managing Director of British Telecom since 1995 and retired as Non-Executive Chairman of British Telecom in India in 2012. He was also on the Board of Airtel and Tech Mahindra, Jubilant Foodworks (Dominos) and Chair of Nasscom Foundation. He took early retirement to focus on bringing the benefits of IT and Telecom to the real-world businesses i.e. energy, health, fintech and payments, hospitality, retail etc., and help create a vibrant entrepreneurial system. Currently, he is also an independent Director on the Board of various companies including listed companies like Jubilant Pharmova Ltd and Jubilant Ingrevia Ltd. WW

Name of Director	Mr. Sunil Vachani	Mr. Keng Tsung Kuo	Mr. Arun Seth
Directorships in other Companies	**Unlisted Entity:** • Padget Electronics Private Limited • Dixon Electro Manufacturing Private Limited • Dixon Technologies Solutions Private Limited • AIL Dixon Technologies Private Limited • Consumer Electronics and Appliances Manufacturers Association • Prikar Holding Private Limited	**Unlisted entity:** • Vtouch Hitechnologies Private Limited • Digital Doctor Private Limited	**Listed Companies:** 1. Jubilant Pharmova Limited 2. Jubilant Ingrevia Limited 3. Narayana Hrudayalaya Limited* **Unlisted Companies:** 1. Kent RO Systems Limited 2. Usha Breco Limited 3. LE Travenues Technology Limited 4. Sify Technologies Limited 5. Naffa Innovations Private Limited 6. Devrev Cloud India Private Limited 7. Sify Digital Services Limited 8. IITK Foundation For Medical Research and Technology 9. Cyber Media Research & Services Limited 10. Hunger INC Hospitality Private Limited 11. Nudge Lifeskills Foundation 12. Pamp Technologies (India) Private Limited 13. Sify Infant Spaces Limited *Effective 7th August, 2023, he will delimit his Directorship from one of the aforesaid Public Companies
Membership / Chairman of Committees (other than your Company)*	NIL	NIL	NIL
Shareholding in the Company	15,749,644 equity shares 26.44%) as on 31st March, 2023	NIL as on 31st March, 2023	NIL
Relationships between directors inter-se	Not related to any Director/Key Managerial Personnel of the Company	Not related to any Director/ Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel of the Company

* In accordance with Regulation 26 of the SEBI Listing Regulations, Chairmanship/Committee Membership of Audit Committee & Stakeholders' Relationship Committee of other Public Limited Companies only has been considered.

For more details kindly refer Annexure - A forming part of Notice.

Regulation 34(3) compliance of SEBI Listing Regulations

Your Company is in compliance with the disclosures required to be made under this report in accordance with the Act and regulation 34(3) read with Schedule V to the SEBI Listing Regulations.

Company Registration details

Your Company is registered in the State of Uttar Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L32101UP1993PLC066581.

Declaration for Affirmance of Compliance with Code of Conduct

In compliance with Regulation 17 of the SEBI Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.dixoninfo.com. The Code is applicable to all Board members and Senior Management personnel of your Company. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of your Company as on 31st March, 2023 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Vice Chairman and Managing Director is as below:

DECLARATION ON CODE OF CONDUCT

Dixon Technologies (India) Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers and employees. I hereby certify that the Board members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business Conduct for the financial year 2022-23.

For **Dixon Technologies (India) Limited**

Sd/-
Atul B. Lall
(Vice Chairman & Managing Director)

Date: 25th July, 2023

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Dixon Technologies (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Dixon Technologies (India) Limited** ("the **Company**"), for the Financial Year ended March 31st, 2023, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated under Listing Regulations for the year ended 31st March 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M.No. F8273
PR No. 1209/2021

Place: Noida
Date: 25-07-2023
UDIN: F008273E000661948

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Dixon Technologies (India) Limited
B-14 & 15, Phase-II, Noida-201305

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dixon Technologies (India) Limited**, having CIN L32101UP1993PLC066581 and having registered office at B-14 & 15, Phase-II, Noida-201305 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of the Director	DIN / PAN	Date of Appointment
1.	Mr. Sunil Vachani	00025431	15/01/1993
2.	Mr. Atul Bihari Lall	00781436	30/6/2000
3.	Mr. Manuji Zarabi	00648928	23/02/2017
4.	Mrs. Poornima Shenoy	02270175	23/02/2017
5.	Mr. Manoj Maheshwari	02581704	03/05/2017
6.	Mr. Keng Tsung Kuo	03299647	12/04/2019
7.	Dr. Rakesh Mohan	02790744	02/02/2021

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Sd/-
Shirin Bhatt
Proprietor
C.P. No. 9150
M.No. F8273
PR No. 1209/2021

Place: Greater Noida
Date: 25-07-2023
UDIN: F008273E000661961

CEO / CFO CERTIFICATE

To,
The Board of Directors
Dixon Technologies (India) Limited

1. We have reviewed financial statements and the cash flow statement of **Dixon Technologies (India) Limited** for the year ended 31st March, 2023 and to the best of our knowledge and belief:

    i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

    i. that there are no significant changes in internal control over financial reporting during the year;

    ii. that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting

Sd/-
Atul B.lall
(Vice Chairman & Managing Director)

Sd/-
Saurabh Gupta
(Chief Financial officer)

STANDALONE

FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
DIXON TECHNOLOGIES (INDIA) LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED ("the Company"), which comprise the balance sheet as at 31 March, 2023, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view ¬in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Derivative financial instruments The Company has entered into various foreign exchange forward contracts which are used to manage and hedge foreign currency exchange risks. The Company has reported net derivative financial liabilities at fair value as at 31 March 2023. The Company's accounting policy on derivatives is disclosed in note 2.28 and related disclosures are included in note 42. The financial instruments are measured at fair value through profit and loss account. The fair value of the derivative financial instruments is based on year-end quotes received from counterparty banks. In respect of designated hedging relationships, the Company measures the effectiveness thereof using valuation models, such as hypothetical derivative method. Testing the fair valuation of derivative instruments and effectiveness of hedging relationships, where applicable, are complex exercises and hence required substantial involvement of senior personnel on the audit engagement with relevant experience. Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.	We assessed the design and implementation and tested the operating effectiveness of the key controls over management's processes for valuation of derivative financial instruments. Our audit procedures included, but were not limited to, the following substantive procedures: • Obtained independent direct confirmations from banks to confirm the outstanding financial instruments to verify existence and rights. • Reviewed the hedging strategy of the Company, economic relationship and hedge ratio between hedged items and hedging instruments to assess the hedge effectiveness of derivative contracts to the extent hedge accounting is applied. • Inspected the underlying agreements and deal confirmations for the derivatives. • Assessed whether the accounting policy is consistent with the requirements of Ind AS 109 'Financial Instruments'. • Evaluated the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting. We have also obtained written representations from management on whether the significant assumptions used in valuation of derivatives are considered reasonable.

Key audit matter	How our audit addressed the key audit matter
Incentive schemes The Company has operating facilities at various locations and based on the various incentive schemes of the respective state government, the Company is eligible for the incentives. The Company is required to fulfil the conditions mentioned in the notification/circular pertaining to that scheme for eligibility of incentive. The management applies its judgement for the recognition of incentive income. Where in the final determination of the claim accepted by the authorities can be modified/delayed. Given the complexity and magnitude of potential exposures across the company, and the judgement involved, this is a key audit matter	We have examined the processes and controls relating to recognition and measurement of incentive income. In this connection, we have: • Reviewed Government schemes and policy relating to incentives of the respective state governments • Examined registration for the scheme, subsequent departmental orders and regulations issued from time to time. • Checked the eligibility criteria including investment made by the Company. • Performed substantive procedures for calculation of eligible amount of incentives and the claims made by the Company. Reviewed management assessment for likelihood of recoverability

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the directors report, management discussions and analysis (MD&A) and corporate governance report, but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report,

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act,

   (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 (b) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 37 (f) to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 37 (e) to the standalone financial statements.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – refer Note 50(vii) to the financial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 50(viii) to the financial statements.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The final dividend paid during the year and proposed final dividend for the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIV6065

Place: Noida
Date: 23 May, 2023

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **DIXON TECHNOLOGIES (INDIA) LIMITED** on the standalone financial statements as of and for the year ended 31 March 2023

(i) In respect of property, plant and equipment and other intangible assets

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant detail of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of its property, plant and equipment under which property, plant and equipment and right to use assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'property plant and equipment') are held in the name of the Company. In respect of leasehold properties, lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) There are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In the case of goods-in-transit, these goods have been received subsequent to the year-end. According, to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate, having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification as compared with books of account.

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments, provided guarantee, granted loans and advances in the nature of loans, secured or unsecured, to companies during the year, in respect of which:

(a) The Company has provided guarantees and security and granted unsecured loans to the Companies, and details of which are given below:

(₹ in Lakhs)

Particulars	Loans	Guarantees	Security
Aggregate amount granted / provided during the year			
- Subsidiaries	1,06,829	57,500	-
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	27,511	2,05,800	1,600

(b) In our opinion and according to the information and explanations given to us the investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted for setting up new business facilities, the schedule of repayment of principal and payment of interest has been stipulated and in our opinion, the repayment of principal amounts and the receipt of interest are regular as per stipulation. In respect of loans granted for working capital facilities, the loans are repayable on demand. As per information and explanations given to us, during the year, the Company has not demanded repayment of such loans. Having regard to the fact that repayment of principal amount has not been demanded by the Company, in our opinion the repayment of principal amount and receipt of interest are regular (also refer to reporting under clause (iii)(f) below).

(d) In our opinion and according to the information and explanations given to us, in respect of loans or advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted loans and advances in the nature of loans which are repayable on demand, details of which are given below:

Particulars	Security
Aggregate amount of loans/ advances in nature of loans (₹/lakh)	
- Repayable on demand (A)	2,930
- Agreement does not specify any terms or period of repayment (B)	-
Total (A+B)	2,930
Percentage of loans/advances in nature of loans to the total loans	10.65%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees and security provided, as applicable.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposit during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Company's products/ services. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) In our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable to the Company, have generally been regularly deposited to the appropriate authorities though there has been slight delay in deposit of custom duty. There were no undisputed amounts payable in respect thereof outstanding at the year-end for a period of more than six months from the date they become payable. The operation of the Company during the year do not give rise to liabilities of sales-tax, service tax, duty of excise and value added tax.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities as at 31 March, 2023 on account of disputes

(₹ in Lakhs)

Name of the statute	Nature of dues	Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	780	-	2013-14, 2016-17 and 2018-19	Income Tax Apellate Tribunal
	Income Tax	1,641		2014-15, 2015-16 2017-18 and 2020-21	Commissioner of Income Tax (Appeals)
		2,421	-		
Goods and Services Tax Act, 2017	Goods and Services Tax	30	10	2017-18, 2018-19, 2019-20, 2020-21 2021-22 and 2022-23	Joint Commissioner (Appeal) of Goods and Services
	Goods and Services Tax	3	3	2021-22	Additional Commissioner Grade-2, Appeal-1

(₹ in Lakhs)

Name of the statute	Nature of dues	Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
	Goods and Services Tax	8	1	2022-23	The Deputy Commissioner (Appeal), State Tax, Pune
		41	14		
Custom Act, 1962	Custom Duty	911	179	2009-10, 2010-11, 2011-12, 2013-14 and 2014-15	Custom Excise and Service Tax Appellate Tribunal
	Custom Duty	318	-	2009-10, 2010-11, 2011-12	Commissioner of Customs
		1,229	179		
Central excise Act, 1944	Excise Duty	454	-	2007-08	The Supreme Court
	Excise Duty	377	28	2012-13, 2013-14, 2014-15 and 2015-16	Customs Excise and Service Tax Appellate Tribunal
	Excise Duty	36	-	2008-09	Commissioner of Central Excise
	Excise Duty	28	-	2009-10	Additional Commissioner of Central Excise
		895	28		
Central Sales Tax Act, 1956	Sales Tax	8	1	2009-10, 2010-11 and 2011-12	High Court
	Sales Tax	22	10	2017-18	Joint Commissioner
	Sales Tax	2	-	2009-10	Deputy Commissioner
	Sales Tax	405	129	2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18	Joint Commissioner (appeal)
		437	140		

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). (ix)

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

(c) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, we report that funds raised on short-term basis excluding current maturities have not been used for long-term purposes by the Company.

(e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally).

Accordingly, provisions of clause 3 (x)(b) of the order are not applicable.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 ith the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports issued to the Company till date, covering the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of Section 192 of the Act are not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.

(d) The Group does not have any CIC as part of the Group.

(xvii) The Company has not incurred cash losses during the current financial year. and during the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act.

(b) The Company has no unspent amount towards Corporate Social Responsibility (CSR) pursuant to ongoing projects requiring a transfer to a special account in compliance with provisions of sub-section (6) of Section 135 of the said Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment has been included in respect of said clause under this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIV6065

Place: Noida
Date: 23 May, 2023

Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **DIXON TECHNOLOGIES (INDIA) LIMITED** of even date)

Independent Auditor's report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to the financial statements of **DIXON TECHNOLOGIES (INDIA) LIMITED** ("the Company") as at 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

6. A Company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

Inherent limitations of internal financial controls with reference to the financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIV6065

Place: Noida
Date: 23 May, 2023

Standalone Balance Sheet

as at 31 March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	58,710	48,796
(b) Capital work-in-progress	6	5,233	1,896
(c) Intangible assets	7	877	283
(d) Right -of-use assets	8	14,502	11,695
(e) Financial assets			
i. Investments	9	10,774	9,187
ii. Loans	10	24,581	2,000
iii. Other financial assets	11	2,195	2,101
(f) Other non-current assets	12	920	6,060
		117,792	**82,018**
Current assets			
(a) Inventories	13	43,267	65,589
(b) Financial assets			
i. Investments	9	3,000	13,502
ii. Trade receivables	14	93,066	84,559
iii. Cash and cash equivalents	15	4,400	11,142
iv. Bank balances other than cash and cash equivalents	16	521	505
v. Loans	10	2,930	187
vi. Other financial assets	11	2,518	2,480
(c) Other current assets	12	5,711	12,603
		155,413	**190,567**
TOTAL ASSETS		**273,205**	**272,585**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	1,191	1,187
(b) Other equity	18	115,449	91,039
TOTAL EQUITY		**116,640**	**92,226**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	19	5,939	17,460
ii. Lease liabilities	20	14,976	11,938
(b) Provisions	21	1,140	1,006
(c) Deferred tax liabilities (net)	23	1,590	1,237
(d) Other non current liabilities	26	1,277	1,405
		24,922	**33,046**
Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	24	2,283	7,120
ii. Lease liabilities	20	1,081	769
iii. Trade payables	25		
– Total outstanding dues of micro and small enterprises		6,423	5,287
– Total outstanding dues to creditors other than micro and small enterprises		114,067	127,032
iv. Other financial liabilities	22	747	1,051
(b) Other current liabilities	26	5,488	5,176
(c) Provisions	21	620	565
(d) Current tax liabilities (net)	27	934	313
		131,643	**147,313**
TOTAL LIABILITIES		**156,565**	**180,359**
TOTAL EQUITY AND LIABILITIES		**273,205**	**272,585**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Standalone Statement of Profit and Loss

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
INCOME			
1 Revenue from operations	28	699,740	748,441
2 Other income	29	1,847	262
3 Total income (1+2)		**701,587**	**748,703**
4 EXPENSES			
(a) Cost of materials consumed	30	615,095	679,586
(b) Changes in inventories of finished goods, work-in-progress and stock-in- trade	31	2,830	(1,280)
(c) Employee benefits expense	32	18,382	16,222
(d) Finance costs	33	3,622	3,015
(e) Depreciation and amortisation expense	34	5,761	5,072
(f) Other expenses	35	27,372	26,051
Total expenses (4)		**673,062**	**728,666**
5 Profit before exceptional items and tax (3-4)		28,525	20,037
6 Exceptional items		–	–
7 Profit before tax (5-6)		**28,525**	**20,037**
8 Tax expense:	36		
(a) Current tax		7,036	5,117
(b) Deferred tax		369	(214)
(c) Income tax related to earlier years (net)		5	38
Tax expense (8)		**7,410**	**4,941**
9 Profit for the year (7-8)		**21,115**	**15,096**
10 Other comprehensive income ('OCI')			
(a) Items that will not be reclassified to profit or loss - re-measurement of post employment benefit obligations		(66)	(14)
(b) Income tax relating to items that will not be reclassified to profit and loss		16	4
Other comprehensive income for the year		**(50)**	**(10)**
11 Total comprehensive income for the year (9+10)		**21,065**	**15,086**
12 Earnings per equity share	40		
(Nominal value of share ₹ 2)			
(a) Basic		35.53	25.63
(b) Diluted		35.27	25.38

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Standalone Statement of Cash Flows

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Cash flow from operating activities		
Profit before tax	28,525	20,037
Adjustments for :		
Depreciation and amortisation expense	5,761	5,072
Finance costs	3,622	3,015
(Gain)/loss on exchange fluctuation	309	(73)
Provision for impairment of property, plant and equipment	(171)	–
Interest income	(1,305)	(135)
Dividend income	(285)	–
(Profit)/loss on mutual fund investments	(76)	(55)
Provision for doubtful debts loans and advances written back	(3)	–
(Profit)/loss on sale of property, plant and equipment	305	5
Excess liabilities, credit balances, provisions etc. written back	(7)	
Subsidy income	(147)	(697)
Share based payment expenses	1,182	1,074
Bad debts written off	5	9
Operating profit before working capital changes	**37,715**	**28,252**
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	22,322	(10,045)
Trade receivables	(8,509)	15,732
Other assets		
- non-current	–	–
- current	6,892	407
Other financial assets		
- non-current	(95)	(1,064)
- current	(18)	723
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(11,820)	(10,035)
Other financial liabilities	(55)	(2)
Other current liabilities	313	2,123
Provisions	121	184
Cash generated from operating activities	**46,866**	**26,275**
Income tax paid (net)	(6,420)	(4,849)
Net cash generated from/(used in) operating activities	**40,446**	**21,426**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment and intangible assets	(14,405)	(21,225)
Loans given	(25,325)	(39,588)
Repayment of loan given	–	43,301
Sale proceeds of property, plant and equipment	871	1,104
Investments in mutual funds	10,501	(3,977)
Equity investments in shares of subsidiaries and joint ventures	(1,587)	(4,684)
(Increase)/decrease in bank balances not classified as cash and cash equivalent (net)	(16)	(17)
Profit/(Loss) on mutual fund investments	76	55
Dividend income	285	–
Interest income received	1,305	135
Net cash generated from/(used in) investing activities	**(28,295)**	**(24,896)**

Standalone Statement of Cash Flows

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
C. Cash flow from financing activities		
Interest paid	(2,717)	(3,656)
Repayment of lease liabilities	(1,680)	(2,767)
Proceeds from issue of share	3,357	6,420
Proceeds/(repayment) from/of current borrowings (net)	(3,836)	(2,490)
Proceeds from non current borrowings	–	14,778
Repayment of non current Borrowings	(12,830)	(692)
Dividend paid	(1,187)	(586)
Net cash generated from/(used in) financing activities	**(18,893)**	**11,007**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(6,742)**	**7,537**
Cash and cash equivalents at the beginning of the year	11,142	3,605
Cash and cash equivalents at the end of year (refer note 15)	**4,400**	**11,142**

Notes:

i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on 'Statements of Cash Flows'.

ii. Figures in brackets indicate cash outflow.

iii. Figures for the previous year have been regrouped wherever considered necessary.

iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the standalone financial statements

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Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Standalone Statement of Change in Equity

for the year ended 31 March, 2023

a. Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 1 April, 2021	1,171
Shares issued under employee stock option scheme	16
Balance as at 31 March, 2022	**1,187**
Shares issued under employee stock option scheme	4
Balance as at 31 March, 2023	**1,191**

b. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus					Other Comprehensive Income	Total
	General Reserve	Securities Premium	Capital Redemption Reserve	Share Option Outstanding	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1 April, 2021	**1,604**	**16,821**	**33**	**872**	**49,851**	**(120)**	**69,061**
Profit for the year	–	–	–	–	15,096	–	15,096
Dividend paid	–	–	–	–	(586)	–	(586)
Share options expenses for the year	–	–	–	1,073	–	–	1,073
Transfer for share option exercised during the year	849	–	–	(849)	–	–	–
Premium on issue of share under employee stock option scheme	–	6,405	–	–	–	–	6,405
Remeasurement Gain/(Loss) on defined benefit plans, net of income tax	–	–	–	–	–	(10)	(10)
Balance as at 31 March, 2022	**2,453**	**23,226**	**33**	**1,096**	**64,361**	**(130)**	**91,039**
Profit for the year	–	–	–	–	21,115	–	21,115
Dividend paid	–	–	–	–	(1,189)	–	(1,189)
Share options expenses for the year	–	–	–	1,182	–	–	1,182
Transfer for share option exercised during the year	593	–	–	(593)	–	–	–
Premium on issue of share under employee stock option scheme	–	3,352	–	–	–	–	3,352
Remeasurement Gain/(Loss) on defined benefit plans, net of income tax	–	–	–	–	–	(50)	(50)
Balance as at 31 March, 2023	**3,046**	**26,578**	**33**	**1,685**	**84,287**	**(180)**	**115,449**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
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Vinesh Jain
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For and on behalf of the Board of Directors

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Company Secretary

Place: Noida
Date: 23 May, 2023

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

1 Corporate Information

Dixon Technologies (India) Limited is a Company incorporated in India, with its registered office situated at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN is L32101UP1993PLC066581. It was incorporated under the provisions of the Companies Act, 1956 in 1993.

The Equity Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited.

The Company is primarily involved in manufacturing of consumer durables, home appliances, lighting, mobile phones and security devices.

2 Significant accounting policies

2.1 Statement of compliance

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these standalone financial statements, which comprises the Balance Sheet as of March 31, 2023, the Statement of Profit and Loss for the year ended March 31, 2023, the Statement of Cash Flows for the year ended March 31, 2023, and the Statement of Changes in Equity as of that date, along with accounting policies and other explanatory information. These financial statements are collectively referred to as 'Standalone Financial Statements' or 'financial statements'.

The Board of Directors has approved these financial statements for issuance on 23 May, 2023

2.2 Basis of preparation of financial statements

The standalone financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Derivative Financial Instruments at fair value
- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments)
- Assets held for disposal - measured at the lower of its carrying amount and fair value less cost to sell
- Employee's Defined Benefit Plan measured as per actuarial valuation.
- Employee Stock Option Plans measured at fair value and
- Assets and Liabilities acquired under Business Combination measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

2.3 Functional and presentation currency

The standalone financial statements have been presented in the Indian Rupees (₹), which is also the functional currency of the Company. All financial information presented in ₹ has been rounded off to the nearest lakh, unless stated otherwise.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include:

- Determination of useful life of property, plant and equipment and intangible assets
- Measurement of lease liabilities and right of use assets
- Measurement of defined benefit obligations
- Recognition and measurement of provisions and contingencies
- Recognition of deferred tax assets / liabilities
- Provision for warranty claims
- Measurement of contingent liabilities

2.5 Current vs. non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

Assets:

An asset is classified as current if it meets any of the following criteria:

- It is expected to be realized or intended for sale or consumption in the Company's normal operating cycle.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

- It is primarily held for trading purposes.
- It is expected to be realized within 12 months after the reporting date.
- It is cash or cash equivalent, unless there are restrictions on its exchange or use to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities:

A liability is classified as current if it meets any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle.
- It is primarily held for trading purposes.
- It is due to be settled within 12 months after the reporting date.
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

The terms of a liability that could potentially be settled by issuing equity instruments, at the option of the counterparty, do not affect its classification.

Deferred tax assets and liabilities are classified as non-current only.

2.6 Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, associates, and joint ventures are carried in financial statements at their historical cost, except when the investment or a portion thereof is classified as held for sale. In such cases, it is accounted for as non-current assets held for sale and discontinued operations. If the carrying amount of an investment exceeds its estimated recoverable amount, it is immediately written down to its recoverable amount, and the difference is recognized in the Statement of Profit and Loss.

Upon disposal of an investment, any difference between the net disposal proceeds and the carrying amount is recognized as a gain or loss in the Statement of Profit and Loss.

2.7 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation and useful life

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Asset	Useful life
Plant and machinery	2-15 years
Furniture and fixtures	3-10 years
Vehicles	8-10 years
Office equipment	3-5 years
Computers	3-6 years

The Company conducts an annual review of the residual value, useful lives, and depreciation method of its assets. If there are differences between the current expectations and previous estimates, the change is accounted for as a prospective change in accounting estimate.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. If the next overhaul is undertaken earlier than the previously estimated life of the economic benefit, the carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount."

Derecognition

The Company derecognized property, plant and equipment when it is disposed of or when there are no future economic benefits expected from its continued use. The gain or loss resulting from the disposal or retirement of a property, plant, and equipment item is calculated as the difference between the sales proceeds and the carrying amount of the asset. This gain or loss is recognized in the Statement of Profit and Loss.

Capital Work in Progress:

Capital work-in-progress is recorded at its cost, which encompasses expenses incurred during the construction period. This cost also includes interest on the amount borrowed for the acquisition of qualifying assets and other expenses related to project implementation, to the extent that these expenses pertain to the period before the commencement of commercial production.

2.8 Investment properties

Investment property refers to land or buildings, or a combination of both, held for the purpose of generating rental income or for capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

Upon initial recognition, investment property is measured at cost. Subsequently, it is presented in the balance sheet at cost, less any accumulated depreciation and impairment losses, if any.

Any subsequent expenditure on investment property is recognized in the carrying amount of the asset only when it is probable that future economic benefits associated with the expenditure will flow to the Company,

Any gain or loss on the disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss.

Buildings included in investment property are depreciated on a straight-line basis at a rate based on their useful life as provided under Schedule II of "the Act".

Investment properties are derecognized when they are sold or permanently withdrawn from use, and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

2.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed annually, and any changes in estimates are applied prospectively. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

In the case of intangible assets acquired in a business combination, they are measured at their fair value as of the acquisition date.

Internally generated intangible assets are recognized as assets in the books only when following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use.
- Management intends to complete the asset and use or sell it.
- There is an ability to use or sell the asset.
- It can be demonstrated how the asset will generate probable future economic benefits.
- Adequate technical, financial, and other resources to complete the development and use or sell the asset are available.
- The expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

Research and development costs

Research costs are recognized as an expense when incurred. Development expenditures related to a specific project are recognized as an intangible asset when certain criteria are met. These criteria include demonstrating the technical feasibility of completing the asset, the Company's intention and ability to complete and use or sell the asset, the expected generation of future economic benefits, the availability of resources to complete the asset and the ability to reliably measure the expenditure during development.

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

Once recognized as an asset, the development expenditure is initially carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use, and it is amortized over the expected period of future benefit.

Amortization expense is recognized in the statement of profit and loss unless the expenditure is included in the carrying value of another asset. The asset is tested for impairment annually during the development period."

Useful life and amortisation

Amortization is recognized in a straight-line manner over the useful lives of the assets, starting from the date of capitalization. The useful lives of the assets is determined as follows:

Category	Useful life
Computer software	3-5 years

The estimated useful life of intangible assets is reviewed at the end of each reporting period, and any changes in estimate are accounted for prospectively.

Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount.

Intangible assets under development

Intangible assets under development are recorded at their cost, which encompasses expenses related to the development of intangible assets until they are ready for use.

2.10 Impairment

At the end of each reporting year, the Company assesses whether there are any indications of impairment for its tangible and intangible assets. If there is any indication, the Company estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it's not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

Goodwill and intangible assets without a definite useful life are not amortized and are tested for impairment at least annually. If there are events or changes in circumstances indicating possible impairment, they are tested for impairment again.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on using 'First in First Out' method (FIFO). Cost includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on FIFO basis.

Waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

2.12 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale when their carrying amounts will be primarily recovered through a sale transaction rather than through continuing use. The classification is made only when two conditions are met:

– The sale is highly probable, and

– The asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets.

For classification as held for sale, management must be committed to the sale, which is expected to be completed

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

within one year from the date of classification. Actions taken to complete the sale plan should indicate that significant changes are unlikely, and the plan will not be withdrawn.

Non-current assets held for sale are presented separately from other assets in the balance sheet.

Upon classification, non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. If non-current assets subject to depreciation are classified as held for sale, they are no longer depreciated or amortized.

Discontinued operation:

A discontinued operation refers to a component of the entity that has been disposed of or is classified as held for sale. It represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively for resale.

The results of discontinued operations are presented separately in the statement of profit and loss, distinguishing them from continuing operations."

2.13 Government grants

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss."

2.14 Revenue recognition

Sale of goods:

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue is measured at the amount of transaction price net of outgoing taxes on sales. The transaction price of goods sold is net of variable considerations on account of discounts, incentives, volume rebates, etc. Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the product and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

The Company evaluates the value of the consideration received or receivable, taking into account the estimates of any potential returns or allowances. Any changes in these estimates are recognized when they become evident."

Sale of services:

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Company has an enforceable right to payment for services rendered.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export incentives and subsidies

Export incentives and subsidies are recognized when following conditions are met:

- There is reasonable assurance that the company will comply with the conditions attached to the incentives or subsidies.
- It is highly probable that the company will receive the incentives or subsidies.

Once these conditions are satisfied, the export incentives and subsidies are recognized as other operating revenue. This recognition reflects the economic benefits expected to be realized by the company. "

Claims:

Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

2.15 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

– the contract involves the use of identified asset;

– the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;

– the Company has the right to direct the use of the asset."

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early."

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months and for low value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At a lessor:

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.16 Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined."

2.17 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current tax is based on taxable profit for the year. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax ('MAT')

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement.

2.18 Borrowing cost

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. "

Notes to Standalone Financial Statements

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2.19 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Warranty provision

Provisions for warranty-related costs are recognised as an expense in the Statement of Profit and Loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.20 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

Short-term employee benefits

Employee benefits such as wages, salaries, bonus, ex-gratia, short-term compensated absences, performance linked rewards, including non-monetary benefits that are expected to be settled within 12 months are classified as short-term employee benefits and are recognised in the period in which the employee renders services and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

Contribution payable to the recognised provident fund, employee state insurance, employee pension scheme and other employee social security scheme etc., which are substantially defined contribution plans, is recognised as expense based on the undiscounted amount of obligations of the Company to contribute to the plan.

Defined benefit plan

Defined benefit plans comprising of gratuity and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

2.21 Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest with corresponding increase in equity. Fair value of the options on the grant date is calculated considering the following:

– Including the impact of market-based performance conditions (e.g. equity share price of an entity) and non-vesting conditions (e.g. holding the shares for the specific period of time)

– Excluding the impact of service and non-market performance conditions (e.g. achieving revenue or profitability target)

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is not remeasured subsequently."

In case of cash-settled, expense towards SARs is charged to the Statement of Profit and Loss on a straight-line basis over the vesting period of the stock options and a corresponding liability is recognised within "Other long-term liabilities. The liability is remeasured at each balance sheet date and changes to the carrying amount of the liability are recognised in the Statement of Profit and Loss.

2.22 Segment

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body (CODM) in the Company to make decisions for performance assessment and resource allocation. The Company has determined that it operates in a single segment due to nature of its operations. Therefore, segment information is not separately presented in these financial statements.

2.23 Cash flow statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.24 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees."

2.25 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

2.26 Exceptional items

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are those items of income or expenses which are material and not expected to occur frequently or regularly. Exceptional items are separately disclosed in the Statement of profit and loss.

2.27 Fair value measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations."

2.28 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets

Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

- Classification: All financial assets are initially measured at fair value, and their classification is determined at the time of acquisition or origination and valued based on the fundamental described in subsequent measurement.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/ disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,

- It is probable that the economic benefits associated with the dividends will flow to the entity,

- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date

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and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected at credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, he Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees an points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'. A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

– It has been incurred principally for the purpose of repurchasing it in the near term; or

– On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

– It is a derivative that is not designated and effective as a hedging instrument.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i. Derivative financial instruments classified as fair value through profit or loss

This category includes derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

ii. Derivative financial instruments designated for hedge accounting

The Company may designate certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow Hedges), or
- Hedges of a net investment in a foreign operation (net investment hedges).

iii. Fair value hedge

When a derivative is designated as fair value hedge, changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount

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of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

iv. **Cash flow hedge**

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the profit or loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the profit or loss.

v. **Embedded derivatives**

Derivatives embedded in a host contract being financial asset within the scope of Ind AS109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Cash and cash equivalents

Cash and cash equivalents, comprise of cash in hand, balances held with banks and financial institutions, and short-term investments with maturities of three months or less from the date of acquisition. These cash and cash equivalents are measured at their fair value as of the balance sheet date. Cash and cash equivalent are subject to insignificant risk of changes in value.

In the balance sheet, any bank overdrafts, if applicable, are included as a component of borrowings.

If there are any restricted cash balances, they are included in the cash and cash equivalents category if the restriction is for a period not exceeding three months. However, if the restriction extends beyond three months, the restricted cash is classified as non-current assets.

Interest earned on cash and cash equivalents is recognized as income in the statement of profit and loss."

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Equity investments other than in Subsidiaries, Joint Ventures, and Associates:

Equity instruments are measured at their fair value, and any changes in fair value are recognized in statement of profit and loss.

Financial liabilities

– Recognition and initial measurement: Financial liabilities are recognized at the date when the Company becomes a party to the contractual provisions of the instrument. They are initially measured at fair value, which is normally the consideration received.

– Classification: Financial liabilities are initially measured at fair value, and their classification is determined at the time of acquisition or origination.

– Subsequent Measurement: Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Under this method, the carrying amount of the liability is increased or decreased to reflect the effective interest rate, which

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is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial liability.

– Derecognition: A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the liability at the time of derecognition and the consideration paid or received is recognized as a gain or loss in profit or loss.

– Impairment: Financial liabilities are assessed for impairment when there is objective evidence that the company will not be able to repay the obligation in full. Impairment losses are recognized in profit or loss.

– Hedge Accounting: When hedge accounting is applied, the company documents the relationship between the hedging instrument and the hedged item and measures the effectiveness of the hedge.

– Forward Contracts: Forward contracts are measured at fair value, and any changes in fair value are recognized in profit or loss. If a forward contract is designated as a hedging instrument, the company documents the relationship between the hedging instrument and the hedged item and measures the effectiveness of the hedge.

Classification of instrument as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The classification is based on the rights and obligations attached to the instrument and is determined at the time of issuance.

Equity instruments

Equity instruments refer to any contract that represents a residual interest in the assets of an entity after deducting its liabilities. The equity instruments issued by the Company are recognized at the proceeds received, net of directly attributable transaction costs. Any incremental costs directly attributable to the issue of equity shares are recognized as a deduction from equity, net of any tax effects. The Company does not recognize any dividends as a liability until they are approved by the shareholders at the Annual General Meeting (AGM) or the Board of Directors declares them, whichever occurs first.

Offsetting financial instruments

The Company offsets financial assets and liabilities and reports the net amount in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The right to offset must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency, or bankruptcy of the counterparty, in accordance with Ind AS 109, Financial Instruments.

Derivative Financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward and options contracts, to hedge the risk of changes in exchange rates on foreign currency exposures. These contracts are generally entered into with banks as counterparties, and the Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately. The fair value of derivatives is determined using valuation techniques such as forward exchange rates, interest rates and implied volatilities at the balance sheet date. Any changes in the fair value of derivatives are recognised in the Statement of Profit and Loss for the period in which they arise, except for the portion of the change in fair value of a cash flow hedge that is determined to be an effective hedge, which is recognised in Other Comprehensive Income. The Company assesses the effectiveness of its cash flow hedges on an ongoing basis.

2.29 Research and development costs

Research costs are expensed when incurred. However, development expenditures related to individual projects are recognized as intangible assets if the Company can demonstrate technical feasibility, its intention and ability to complete and use or sell the asset, the future economic benefits it will generate, the availability of resources, and the ability to measure expenditure reliably.

Once development expenditure is recognized as an asset, it is carried at cost less any accumulated amortisation and impairment losses. Amortisation starts when development is complete, and the asset is available for use, and it is recognized over the expected future benefit period.

Amortisation expense is recorded in the statement of profit and loss, unless such expenditure is included in the carrying value of another asset. During the development period, the asset is assessed annually for impairment."

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies instead of their significant accounting policies. Accounting policy information is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have a significant impact on its standalone financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 has been narrowed so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, on its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments help entities distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have a significant impact on its standalone financial statements.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

a. Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

b. Useful lives of depreciable/amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

c. Classification of Leases: The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

d. Employee benefit: Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

e. Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.

f. Impairment of financial assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Fair value measurement of Financial Instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility.

h. Warranty : Warranty Provision is measured at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable, and the amount can be reasonably estimated.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

5 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
	(see note 'i' below)							
At cost or deemed cost								
Balance as at 1 April, 2021	1,194	8,711	24,474	2,069	939	1,072	659	39,118
Additions	4,996	2,671	15,423	718	236	329	322	24,695
Disposals	–	4	1,326	8	93	4	6	1,441
Balance as at 31 March, 2022	**6,190**	**11,378**	**38,571**	**2,779**	**1,082**	**1,397**	**975**	**62,372**
Additions	6,441	794	6,788	179	433	284	319	15,238
Disposals	–	24	1,321	147	231	68	80	1,871
Balance as at 31 March, 2023	**12,631**	**12,148**	**44,038**	**2,811**	**1,284**	**1,613**	**1,214**	**75,739**
Accumulated depreciation and impairment	.							
i. Accumulated depreciation								
Balance as at 1 April, 2021	40	1,012	6,537	635	293	571	405	9,493
Charge for the year	8	372	2,866	215	122	178	152	3,913
Disposals	–	4	243	4	82	3	2	338
Balance as at 31 March, 2022	**48**	**1,380**	**9,160**	**846**	**333**	**746**	**555**	**13,068**
Charge for the year	8	467	2,987	312	136	199	210	4,319
Disposals	–	2	338	94	138	58	65	695
Balance as at 31 March, 2023	**56**	**1,845**	**11,809**	**1,064**	**331**	**887**	**700**	**16,692**
ii. Impairment losses								
Balance as at 1 April, 2021	–	–	508	–	–	–	–	508
Additions	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March, 2022	**–**	**–**	**508**	**–**	**–**	**–**	**–**	**508**
Additions	–	–	–	–	–	–	–	–
Disposals	–	–	171	–	–	–	–	171
Balance as at 31 March, 2023	**–**	**–**	**337**	**–**	**–**	**–**	**–**	**337**
Net carrying amount								
As at 31 March, 2022	**6,142**	**9,998**	**28,903**	**1,933**	**749**	**651**	**420**	**48,796**
As at 31 March, 2023	**12,575**	**10,303**	**31,892**	**1,747**	**953**	**726**	**514**	**58,710**

Notes:

i. Land includes, freehold land located at Plot no C 2/1, Selaqui, Dehradun, Uttarakhand, which was purchased through auction from a Bank during the financial year 2016-17. The aforesaid land is registered in the name of the company. A party has initiated legal case disputing ownership of the said land at various courts/ tribunals, including Hon'ble Debt Recovery Tribunal at Lucknow and Dehradun ('DRT') and Hon'ble Debt Recovery Appellate Tribunal, Allahabad ('DRAT') and Hon'ble Nainital High Court. The matter has been decided by DRAT in the favour of the Company. The Company, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250 lakh and capital assets created thereon is having the gross block of ₹ 1,686 lakh as at 31 March, 2023.

ii For information of the assets pledged as security against borrowings, see note 19, 24 and 38.

iii. There are no proceedings against the Company, that have been initiated or pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

6 Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	1,896	7,155
Additions during the year	4,429	6,430
Capitalised during the year	1,092	11,689
Closing balance	**5,233**	**1,896**

Notes:

a) **Ageing of capital work in progress**

As at 31 March,2023

(₹ in Lakhs)

Particulars	Amount in capital work in progress for				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	4,429	804	–	–	5,233

As at 31 March,2022

(₹ in Lakhs)

Particulars	Amount in capital work in progress for				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	1,547	349	–	–	1,896

b) Projects in progress comprises projects of Semi Automatic Washing Machine, Led TV, Led Lighting, Mobile, Refrigerator and others.

c) There is no capital project in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

d) For disclosure of contractual commitments for the acquisition of property, plant and equipment, see note 37.

7 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software
As at cost or deemed cost	
Balance as at 01 April, 2021	678
Additions	–
Disposals	–
Balance as at 31 March, 2022	**678**
Additions	721
Disposals	–
Balance as at 31 March, 2023	**1,399**
Accumulated amortisation	
Balance as at 01 April, 2021	291
Charge for the year	104
Disposals	–
Balance as at 31 March, 2022	**395**
Charge for the year	127
Disposals	–
Balance as at 31 March, 2023	**522**
Net carrying amount	
As at 31 March, 2022	**283**
As at 31 March, 2023	**877**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

8 Right -of-use assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Carrying value of right of use assets		
Land and buildings	14,502	11,695
	14,502	**11,695**

I Right-of-use assets

i. Carrying amount of right of use assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	11,695	8,614
Additions during the year	4,151	4,142
	15,846	**12,756**
Depreciation during the year:		
– Capital work in progress	29	–
– Statement of profit and loss account	1,315	1,055
Derecognised during the year	–	6
Closing balance	**14,502**	**11,695**

9 Investments

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
A. Non-current investments				
i. Investment in equity instrument				
(Unquoted, at cost)				
a. In subsidiary companies				
Dixon Global Private Limited Equity shares of ₹ 10 Each	1,000,000	100	1,000,000	100
Padget Electronics Private Limited Equity shares of ₹ 10 Each	15,000,000	3,450	15,000,000	3,450
Dixon Electro Appliances Private Limited Equity shares of ₹ 10 Each	51,000	5	51,000	5
Dixon Electro Manufacturing Private Limited Equity shares of ₹ 10 Each	10,000	1	10,000	1
Dixon Technologies Solutions Private Limited Equity shares of ₹ 10 Each	10,000	1	10,000	1
Dixtel Communications Private Limited Equity shares of ₹ 10 Each	100,000	10	–	–
		3,567		**3,557**
b. In jointly controlled entities				
(Unquoted, at cost)				
AIL Dixon Technologies Private Limited Equity shares of ₹ 10 Each	9,500,000	950	9,500,000	950
Rexxam Dixon Electronics Private Limited	6,000,000	600	6,000,000	600

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

9 Investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023 Number of Shares	As at 31 March, 2023 Amount	As at 31 March, 2022 Number of Shares	As at 31 March, 2022 Amount
Equity shares of ₹ 10 Each				
Califonix Tech And Manufacturing Private Limited	5,050,000	505	–	–
Equity shares of ₹ 10 Each				
		2,055		**1,550**
ii. Investment in Preference shares				
(Unquoted, at cost)				
a. In subsidiary company				
Dixon Electro Appliances Private Limited	49,980,000	4,998	40,800,000	4,080
Preference shares of ₹10 Each				
		4,998		**4,080**
iii. Investment in equity instrument				
(Unquoted)				
(fair value through profit and loss account)				
Amplus RJ Solar Private Limited	1,536,800	154	–	–
		154		**–**
Total		**10,774**		**9,187**
Aggregate carrying value of unquoted investments		10,774		9,187
Aggregate amount of impairment in the value of investments		–		–

Notes:

I. No investment is pledged as security by the Company.

II. Information of subsidiaries and jointly controlled entities

(₹ in Lakhs)

Name of entity	Principal activity	Place of incorporation	Principal place of business	Proportion of ownership interest/ voting rights held by the group As at 31 March, 2023	As at 31 March, 2022
Subsidiary Companies					
i. Dixon Global Private Limited	Trading	Noida, India	Noida, India	100%	100%
ii. Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
iii. Dixon Electro Manufacturing Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
iv. Dixon Technologies Solutions Private Limited	Manufacturing	Noida, India	Dehradun India	100%	100%
v. Dixon Electro Appliances Private Limited	Manufacturing	Noida, India	Ludhiana, India Noida, India	51%	51%
vi. Dixtel Communications Private Limited*	Trading	Noida, India	Noida, India	100%	–
Jointly controlled entities					
i. AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh, India	50%	50%
ii. Rexxam Dixon Electronics Private Limited	Manufacturing	Noida, India	Noida, India	40%	40%
iii. Califonix Tech and Manufacturing Private Limited*	Manufacturing	Noida, India	Noida, India	50%	–

* Incorporated during the year.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

9 Investments (Contd..)

III. Operation details of jointly controlled entities

i. AIL Dixon Technologies Private Limited

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	49,244	39,947
Expenses	48,008	38,674

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets	30,993	30,243
Liabilities	27,712	27,628
Contingent liabilities	1,568	500
Commitments (net of advance)	10	–

Notes

– The operations are disclosed to the extent of the share of the Company.

– The information disclosed above is based on the latest audited financial statements of the company

ii. Rexxam Dixon Electronics Private Limited

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	9,547	–
Expenses	9,233	6

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets	11,417	612
Liabilities	10,587	18
Contingent liabilities	90	–
Commitments (net of advance)	2	–

Notes

– The operations are disclosed to the extent of the share of the Company.

– The information disclosed above is based on the latest audited financial statement of the company

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

9 Investments (Contd..)

iii. Califonix Tech and Manufacturing Private Limited

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	–	–
Expenses	73	–

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets	1,826	–
Liabilities	1,394	–
Contingent liabilities	–	–
Commitments (net of advance)	336	–

Notes

– The operations are disclosed to the extent of the share of the Company.

– The information disclosed above is based on the latest audited financial statements of the company

B. Current investments

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Units	Amount	No. of Units	Amount
i. Investment in mutual funds (Quoted, carried at fair value through profit and loss)				
– SBI Overnight Fund-Regular Growth	83,154	3,000	102,198	3,501
– Axis Overnight Fund-Regular Growth	–	–	178,291	2,000
– DSP Overnight Fund-Regular Growth	–	–	88,089	1,000
– HDFC Overnight Fund	–	–	111,625	3,501
– UTI Overnight Fund-Regular Plan Growth	–	–	34,682	1,000
– Kotak Overnight Fund Growth (Regular Plan)	–	–	88,434	1,000
– ICICI Prudential Overnight Fund Growth	–	–	1,313,630	1,500
	83,154	**3,000**	**1,916,949**	**13,502**

Measurement of Investments:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investment carried at amortised cost	–	–
Investment carried at fair value through profit and loss "FVTPL"	3,000	13,502
Investment carried at fair value through other comprehensive income "FVTOCI"	–	–
Aggregate carrying value of quoted investments	**3,000**	**13,502**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

10 Loans

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Non-Current		
(Unsecured, considered good)		
a. Loans to related parties (see note 47)		
– Subsidiaries	24,581	2,000
	24,581	**2,000**
Current		
(Unsecured, considered good)		
a. Loans to related parties (see note 47)		
– Subsidiaries	2,930	143
– Joint Ventures Companies	–	44
	2,930	**187**

Notes

i. Disclosures of inter corporate loans as required by section 186(4) of the Companies Act, 2013 are as follows :

(₹ in Lakhs)

Particulars	Rate of interest	Due date	Secured/ Unsecured	As at 31 March, 2023	As at 31 March, 2022
A. Non current loan					
(For setting up new business facility)					
Padget Electronics Private Limited	8.50%*	From Jun-23 To 31 March,2029	Unsecured	7,000	2,000
Dixon Electro Manufacturing Private Limited	8.10%	From 30 April, 2024 to 31 March,2028	Unsecured	15,115	–
Dixon Technologies Solutions Private Limited	8.10%	From 30 April, 2024 to 30 April,2030	Unsecured	2,466	–
				24,581	**2,000**
* Previous year rate of interest was 7.00%					
B. Current loan					
(For working capital facility)					
Dixon Technologies Solutions Private Limited	6.65%	Repayable on demand	Unsecured	–	56
Dixon Electro Appliances Private Limited	8.10%*	Repayable on demand	Unsecured	500	50
Dixon Electro Manufacturing Private Limited	6.65%	Repayable on demand	Unsecured	–	37
Rexxam Dixon Electronics Private Limited	6.65%	Repayable on demand	Unsecured	–	44
Padget Electronics Private Limited	8.10%	Repayable on demand	Unsecured	2,430	–
				2,930	**187**

* Previous year rate of interest was 6.65%

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

10 Loans (Contd..)

ii. Disclosure of loans and advances in the nature of loans given to subsidiaries, associates and other companies in which directors are interested as required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A. Non-current loans		
i. Padget Electronics Private Limited (Maximum amount outstanding during the year ₹ 7,000 Lakh (Previous year ₹ 2,000 lakh))	7,000	2,000
ii. Dixon Electro Manufacturing Private Limited (Maximum amount outstanding during the year ₹ 15,115 Lakh (Previous year ₹ Nil))	15,115	–
iii. Dixon Technologies Solutions Private Limited (Maximum amount outstanding during the year ₹ 2,466 Lakh (Previous year ₹ Nil))	2,466	–
	24,581	**2,000**
B. Current loans (repayable on demand):		
i. Dixon Technologies Solutions Private Limited (Maximum amount outstanding during the year ₹ 56 lakh (Previous year ₹ 56 lakh))	–	56
ii. Dixon Electro Appliances Private Limited (Maximum amount outstanding during the year ₹ 1,000 lakh (Previous year ₹ 50 lakh))	500	50
iii. Dixon Electro Manufacturing Private Limited (Maximum amount outstanding during the year ₹ 43 lakh (Previous year ₹ 43 lakh))	–	37
iv. Rexxam Dixon Electronics Private Limited (Maximum amount outstanding during the year ₹ 44 Lakh (Previous year ₹ 44 lakh))	–	44
v. Padget Electronics Private Limited (Maximum amount outstanding during the year ₹ 30,715 Lakh (Previous year ₹ 7,965 lakh))	2,430	–
	2,930	**187**

11 Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
I. Non-current		
a. Amount paid under protest to government authorities	1,061	1,013
b. Security deposits	1,134	1,088
	2,195	**2,101**
II. Current		
a. Advances to employees (see note below)	190	90
b. Amount receivables from government authorities (Incentive and refund receivables)	2,277	2,384
c. Other receivables	51	6
	2,518	**2,480**

Note

Advances to employees includes amount due from directors/ officers of the Company

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

12 Other assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
I. Non-current		
a. Capital advances	920	6,060
b. Other advances considered doubtful	25	28
Less : Provision for doubtful advances	(25)	(28)
	–	–
	920	**6,060**
II. Current		
a. Balance with government authorities (see note below)	1,143	9,675
b. Advances to suppliers	3,981	2,388
c. Prepaid expenses	587	540
	5,711	**12,603**

Note:

Balance with government authorities includes goods and service tax, custom duty etc.

13 Inventories
(Valued at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Raw materials and packing materials etc.		
– in stock	30,189	45,304
– in transit	3,130	7,506
b. Work-in-progress	4,035	4,675
c. Finished goods	5,913	8,104
	43,267	**65,589**

Note: For details of inventories pledged as security for borrowings, see note 38

14 Trade receivables
(unsecured)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. From related parties (see note 47)	11,553	6,425
b. From others	81,547	78,172
	93,100	**84,597**
Less: Allowances for doubtful debts	34	38
	93,066	**84,559**

Note: For details of trade receivables pledged as security for borrowings, see note 38

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

14 Trade receivables (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Secured, considered good	–	–
Unsecured, considered good	93,066	84,559
Trade Receivables which have significant increase in credit risk	–	–
Trade Receivables - credit impaired	34	38
	93,100	84,597
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	–	–
Unsecured, considered good	–	–
Trade Receivables which have significant increase in credit risk	–	–
Trade Receivables - credit impaired	34	38
	34	38
Trade receivables (Net)	93,066	84,559

Ageing for trade receivables - billed – current outstanding as at 31 March, 2023 is as follows:

(₹ in Lakhs)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less then 6 Month	6 -12 month	1-2 Years	2-3 years	More than 3 years	
Undisputed trade receivables– considered good	69,697	22,484	832	53	–	–	93,066
Undisputed trade receivables– which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed trade receivables– credit impaired	–	–	–	34	–	–	34
Disputed trade receivables - considered good	–	–	–	–	–	–	–
Disputed trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
	69,697	22,484	832	87	–	–	93,100

Ageing for trade receivables - billed – current outstanding as at 31 March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less then 6 Month	6-12 Month	1-2 Years	2-3 years	More than 3 years	
Undisputed trade receivables– considered good	74,876	9,588	95	–	–	–	84,559
Undisputed trade receivables– which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed trade receivables– credit impaired	–	–	27	2	7	2	38
Disputed trade receivables– considered good	–	–	–	–	–	–	–
Disputed trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed trade receivables– credit impaired	–	–	–	–	–	–	–
	74,876	**9,588**	**122**	**2**	**7**	**2**	**84,597**

Notes:

i. The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.

ii. Trade receivables ageing have been disclosed on due basis.

iii. There is no unbilled trade receivables as at the Year end.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

15 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Balances with banks		
– in current accounts	4,115	11,092
– in escrow accounts	248	29
b. Cash on hand	37	21
	4,400	**11,142**

16 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Margin money deposits (see note below)	520	505
b. Balance in earmarked account -unpaid dividend accounts	1	–
	521	**505**

Note

Margin Money deposit balances are more than 3 month but less than 12 months. Margin money is held against letter of credit, bank guarantee and submitted with various taxation departments.

17 Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares of ₹ 2 each	130,000,000	2,600	130,000,000	2,600
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each fully paid up	59,560,165	1,191	59,341,935	1,187
	59,560,165	**1,191**	**59,341,935**	**1,187**
a. Reconciliation of equity shares				
Balance as at the beginning of the year	59,341,935	1,187	58,569,355	1,171
Share issued under employees stock option scheme	218,230	4	772,580	16
Balance as at the end of the year	**59,560,165**	**1,191**	**59,341,935**	**1,187**

Note

Pursuant to the approval of the shareholders accorded on 7 March, 2021 vide postal ballot conducted by the Company, each equity share of face value of ₹10 per share was sub-divided into five equity shares of face value of ₹ 2 per share, with effect from 19 March, 2021.

b. Terms and rights of equity shareholders

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the annual general meeting except in the case of interim dividend.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

17 Equity share capital (Contd..)

c. Detail of holders holding more than 5% of the aggregate shares in the Company.

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No of shares	% holding	No of shares	% holding
Mr. Sunil Vachani	15,747,644	26.44%	15,749,644	26.54%
Mrs. Kamla Vachani	4,340,244	7.29%	4,431,222	7.47%
Mrs. Gayatri Vachani	3,887,581	6.53%	3,937,577	6.64%
Life Insurance Corporation of India	3,409,395	5.72%	–	–
	27,384,864	45.98%	24,118,443	40.65%

d Details of share held by Promoters*

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022		% change during the year
	No of shares	Amount	No of shares	Amount	
Promotor's Name					
Mr. Sunil Vachani					
No's of shares	15,747,644	315	15,749,644	315	
% holding	26.44%	26.44%	26.54%	26.54%	–0.10%
Promotor's Group					
Mrs. Gayatri Vachani					
No's of shares	3,887,581	78	3,937,577	79	
% holding	6.53%	6.53%	6.64%	6.64%	–0.11%
Mr. Suresh Vaswani					
No's of shares	636,277	13	658,777	13	
% holding	1.07%	1.07%	1.11%	1.11%	–0.04%
Mr. Kamal Vachani					
No's of shares #	3,802	–	3,502	–	
% holding	0.01%	0.01%	0.01%	0.01%	–
Mr. Ravi Vachani					
No's of shares ##	7,527	–	7,269	–	
% holding	0.01%	0.01%	0.01%	0.01%	–

* As defined under the Companies Act, 2013, but does not include person considered as Promoter group as per Regulations 2 (1) (zb) of SEBI ICDR Regulations.

share held of ₹ 0.08 lakh (previous year ₹ 0.07 Lakh)

share held of ₹ 0.15 lakh (previous year ₹ 0.15 Lakh)

e. Summary of dividend and proposed dividend

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2022: ₹ 2 per share (previous year ₹ 1 per share)	1,189	586
	1,189	586
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2023: ₹ 3 per share (previous year ₹ 2 per share)	1,787	1,189
	1,787	1,189

The Board of Directors have recommended a final dividend of 150% (₹ 3 per Equity Share) for the financial year 2022-2023 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

17 Equity share capital (Contd..)

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company had allotted 6,277,337 fully paid up shares of face value ₹ 10 each during the year ended 31 March 2017, pursuant to bonus issue approved by the share holders in the Extra Ordinary General Meeting of the Company held on 20 September, 2016. The Company had allotted 4 bonus shares for every 3 shares held.

g. Shares held by Holding or ultimate Holding company

The Company does not have any Holding Company.

h. Shares reserved for issue under employee stock option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 46. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the Company on or before the vesting date.

18 Other equity

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. General reserve	3,046	2,453
b. Securities premium	26,578	23,226
c. Capital redemption reserve	33	33
d. Other comprehensive income	(180)	(130)
e. Share option outstanding account	1,685	1,096
f. Retained earnings	84,287	64,361
	115,449	**91,039**
a. General reserve		
Opening balance	2,453	1,604
Transfer for share option exercised during the year	593	849
Closing balance	**3,046**	**2,453**
b. Securities premium		
Opening balance	23,226	16,821
Add: Premium on issue of share under employees stock option scheme (see note 46)	3,352	6,405
Closing balance	**26,578**	**23,226**
c. Capital redemption reserve		
Opening balance	33	33
Closing balance	**33**	**33**
d. Other comprehensive income-		
Remeasurement of defined benefit plans		
Opening balance	(130)	(120)
Movement during the year	(50)	(10)
Closing balance	**(180)**	**(130)**
e. Share option outstanding account		
Opening balance	1,096	872
Add : Granted/ vested during the year	1,182	1,073
Less : Exercised during the year (Refer note 46)	(593)	(849)
Closing balance	**1,685**	**1,096**

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

18 Other equity (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
f. Retained earnings		
Opening balance	64,361	49,851
Add : Profit for the year	21,115	15,096
Less: Appropriation		
-Final dividend on equity shares for the year ended 31 March, 2022 (₹2 per share)	(1,189)	–
-Final dividend on equity shares for the year ended 31 March, 2021 (₹1 per share)	–	(586)
Closing balance	**84,287**	**64,361**

Notes:

a. General reserve:

The Company had transferred a part of the net profit of the Company to general reserve in earlier years. It also includes amount transferred to general reserve for share option exercised during the year and earlier years.

b. Share premium:

The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium. It can be used for issue of bonus shares, write- off of equity related expenses etc.

c. Capital redemption reserve:

The reserve has been created by buy back of equity shares and fully convertible cumulative participatory preference shares

d. Other comprehensive income:

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

e. Share option outstanding:

The above reserve relates to share options granted by the Company to its employees under its employee share option plan.

f. Retained earnings:

Retained earnings are profits of the Company earned till date less transferred to other reserves and dividend paid during the year.

19 Borrowings
(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Current		
i. From banks		
(Secured)		
a. Term Loan		
– HDFC Bank Limited (see note 'II below)	7,082	12,967
– Qatar National bank (see note 'I' below)	–	5,004
– Vehicle Loans (see note 'III' below)	–	48
	7,082	**18,019**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

19 Borrowings (Contd...)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
ii. From non banking financial companies		
(Secured)		
– Tata Capital Housing Finance Limited (see note 'IV' below)	120	137
– Vehicle Loans-Sundaram Finance Limited (see note 'III' below)	–	2
	120	**139**
iii. Deferred payment liabilities		
(Secured)		
– Noida Authority (see note 'V' below)	–	1,873
	–	**1,873**
Total	**7,202**	**20,031**
Less: Current maturities of long term borrowings (refer note 24)	1,263	2,571
	5,939	**17,460**

Notes:

I The term loan taken from Qatar bank was repayable in eight half-yearly installments, with a two-year moratorium period starting from 31 July 2022. The interest rate on the loan is linked to the bank's one-year Marginal Cost of Funds Based Lending Rate (MCLR) plus 1.10%. Interest payments are to be made on monthly basis.

The loan was secured by an exclusive charge on the land, building and machinery located at plot no. 30 and 31 EMC 2, Tirupati, Chittoor, Andhra Pradesh. Additionally, the loan was secured by current assets and expected cash flows of the project, with a security cover of 1.25 times of loan amount.

The loan has been fully paid during the current year and exclusive charge on land, building and plant and machinery located at plot no. 30 and 31 EMC 2, Tirupati, Chittoor, Andhra Pradesh was released."

II Borrowing from HDFC Bank Limited

a. Term loan from HDFC Bank Limited

Particulars		Term loan-1	Term loan-2	Term loan-3
A. Outstanding balance current year		1,382	5,700	–
Outstanding balance previous year		3,578	6,000	3,389
B. Rate of Interest	%	6 month MCLR+0.60%	Repo Rate +1.06% with quarterly reset	Repo Rate +1.06% with quarterly reset
C. Terms of repayment		Repayable in 5 years including one year of moratorium followed by 20%, 20%, 30%, and 30% repayment in 2nd, 3rd, 4th and 5th year respectively	Repayable in 6.5 years including one year of moratorium followed by 10%, 15%, 15%,30%,20% and 10% repayment in 2nd, 3rd, 4th ,5th,6th and 7th year respectively.	Repayable in 6 years including one and half year of moratorium followed by 10%, 15%, 15%, 30% and 30% repayment in 2nd, 3rd, 4th,5th and 6th year respectively.

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

19 Borrowings (Contd..)

Particulars		Term loan-1	Term loan-2	Term loan-3
D. Swap agreement* '(Rupee loan swapped with USD loan)	USD Loan	In two parts in USD amounting USD 25 Lakh and USD 25 Lakh wherein company will pay interest in USD at 2.05% p.a & 2.0% p.a respectively.	In three Parts in USD amounting USD 1.745 Mn , USD 48 Lakh and USD 13 Lakh wherein company will pay interest in USD at 1.24% p.a , 1.38% p.a and 1.39 % p.a respectively.	USD 44 Lakh wherein company will pay interest in USD at 1.38% p.a
	Rupee loan	Rupee Loan of ₹ 1,900 Lakh and ₹1,876 Lakh wherein company will receive interest in rupee at 6.0% p.a.	Rupee Loan of ₹ 1,320 Lakh, ₹ 3,680 Lakh and ₹ 1,000 Lakh wherein company will receive interest in rupee at 5.06% p.a.	Rupee Loan of ₹ 3,389 Lakh wherein company will receive interest in rupee at 5.06% p.a.

*Swap agreement was unwind during the year and outstanding loan was converted to ₹ loan.

b. Nature of Security

Term loan-1

Secured against pari-passu on movable fixed assets of the company located in 262M, Central Hope Town, Selakui, Dehradun and C-3/1, Selaqui Industrial Area Dehradun, first pari passu charge on all movable fixed assets of the company (except those exclusively charged with other banks), and exclusive charge on immovable property located at Plot No C-2/1, UPSIDC Industrial Area, Selaqui, Dehradun.

Term loan-2 and Term loan-3

The loan is secured against exclusive charge on movable fixed assets of the company located at Khasra No. 1050/2, 1050/6, 1050/7, 1050/8, 1050/9 situated at Mauza East Hope Town, Tehsil Vikas Nagar, Pargana- Pachwa Doon, District – Dehradun (Uttrakhand) and first pari passu charge on all movable fixed assets of the company (except those exclusively charged with other banks)."

c. The Company has made pre-payments towards term loan-1 from HDFC Bank, of an amount of ₹ 1,400 Lakh. The Company has fully settled the outstanding balance of term loan-3 during the year.

III Vehicle loans were secured by way of hypothecation of the related assets. These were repayable in sixty equal monthly installments from 2017. Interest rate vary from 8.70% p.a to 10.06% p.a. Vehicle loans are fully repaid during the year.

IV Loan is secured by mortgage of the related asset and is repayable in 120 monthly installments from August' 2017 to August' 2027 bearing interest rate of 9.15% p.a.

V The Company entered into a lease agreement with NOIDA for a land located at Plot No.6, Sector 151, Noida, measuring 21,000 sq mtr on 10th August 2021. The lease was granted at an allotment value of ₹ 2,917 lakh. The Company made an upfront payment of ₹ 875 lakh, and the remaining balance of ₹ 2,042 lakh was scheduled to be paid in 10 equal half-yearly installments starting December 2021 and concluding in June 2026. However the Company has fully repaid the outstanding amount during the year.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

19 Borrowings (Contd..)

VI Term of repayment of long term borrowings

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Installments	Amount	No. of Installments	Amount
Secured monthly repayment				
Less than 1 year	12	19	25	68
Due 1 to 5 years	48	100	48	95
More than 5 years	1	1	8	24
Secured quarterly repayment				
Less than 1 year	16	1,244	14	1,096
Due 1 to 5 years	44	5,838	82	9,146
More than 5 years	–	–	18	2,725
Secured half yearly repayment				
Less than 1 year	–	–	12	1,434
Due 1 to 5 years	–	–	37	5,443
More than 5 years	–	–	–	–
		7,202		**20,031**

VII The Company has not defaulted in the repayment of dues to its lenders.

VIII Borrowings from banks and financial institution have been used for the specific purpose for which it was taken at the balance sheet date.

20 Lease liabilities

(see note below)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A) Non current		
a. Payable for lease obligation	14,976	11,938
	14,976	**11,938**
B) Current		
a. Payable for lease obligation	1,081	769
	1,081	**769**

II Movement in lease liabilities during the year:

(₹ in Lakhs)

Particulars	Note No	As at 31 March, 2023	As at 31 March, 2022
a. Lease liabilities			
– Non current		14,976	11938
– Current		1,081	769
		16,057	**12,707**
b. Balance at the Beginning of the year		12,707	9,198
Additions during the year		4,151	4,142
		16,858	**13,340**

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

20 Lease liabilities (Contd..)

(₹ in Lakhs)

Particulars	Note No	As at 31 March, 2023	As at 31 March, 2022
Finance cost accrued during the year:			
– Capital work in progress		161	1,398
– Statement of profit and loss account		908	742
Payment of lease liabilities		(1,680)	(2,767)
Derecognised during the year		(190)	(6)
Balance as at end of the year		**16,057**	**12,707**
c. Maturity analysis of lease liabilities:			
i. The table below provides details regarding the maturities of lease liabilities:			
Due within one year		1,081	769
Due later than one year and not later than five years		4,848	3,188
Due later than five years		10,128	8,750
Total		**16,057**	**12,707**
d. Expenses recognised in the statement of profit and loss			
Interest on lease obligations	33	908	742
Depreciation on right of use assets	34	1,315	1,055
Expenses relating to short-term and low value leases (included in other expenses)	35	626	701
		2,849	**2,498**
e. Cash outflow of the leases			
Payment of lease liabilities		1,680	2,767
Expenses relating to short-term and low value leases		626	701
		2,306	**3,468**

i. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. Rental expenses recorded for short-term and law value leases is ₹ 626 lakh for the year ended 31 March, 2023 (₹ 701 lakh for the year ended 31 March, 2022) the same have been recorded under the head 'other expenses' in the financial statement.

iii. Lease contracts entered by the Company majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract

III Disclosures for operating leases other than leases coverd in Ind AS 116

i. The Company has entered into cancellable operating leases and transactions for leasing of accommodation for Factory Building, Service Centre, office space, Godown, transit house etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

ii. The Company has given its properties on lease one party. Tenure of leases is 3 years. Terms of the lease include operating term for renewal, increase in rent in future period and term of cancellation have a notice period of 3 months, accordingly no lease obligation have been disclosed.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

20 Lease liabilities (Contd..)

Lease expenses/income recognised during the year

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. As a lessee (expenses)		
Factory building, godown, office space, service centre and transit house	626	701
b. As a lessor (income)		
Factory building	117	66

21 Provisions

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A) Non current		
a. Provision for employee benefit		
i. For gratuity (see note 43)	1,060	940
ii. For compensated absences	80	66
	1,140	**1,006**
B) Current		
a. Provision for employee benefits		
i. For gratuity (see note 43)	188	137
ii. For compensated absences	23	19
b. Provision for warranty (see note below)	409	409
	620	**565**
Note:		
Movement in provision for warranty		
Opening balance	409	425
Provision made during the year	520	611
Claim paid / adjustments during the year	520	627
Closing provision	**409**	**409**

Basis of warranty:

The Company gives eighteen months warranty on bulbs and twelve months warranties on television and washing machines. Bulbs are replaced with new bulbs and in respect of televisions and washing machines. Defective part is changed/repaired.

22 Other financial liabilities

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current		
a. Outstanding forward Marked to Market (MTM)	53	108
b. Unclaimed dividend	1	–
c. Interest accrued but not due on Borrowings	–	2
d. Payable for property, plant and equipment	693	941
	747	**1,051**

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

23 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Deferred tax liability		
i. Arising on account of timing differences in depreciation	1,945	1,546
b. Deferred tax assets		
i. Arising on account of timing differences in accrued expenses	355	309
	1,590	**1,237**

Note:

For deferred tax movement and tax reconciliation refer note 36.

24 Current borrowings
(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. From Banks (Secured)		
i. Buyer Credits (see note 'I')	–	4,549
b. From Related parties (Unsecured)		
i. Dixon Global Private Limited (see note 'II')	1,020	–
c. Current maturities of long term borrowings (see note 'III' below)	1,263	2,571
	2,283	**7,120**

I Borrowings from banks (comprising of Libor financing -Buyer Credit backed by SBLC/Bank guarantee) are secured on pari-passu basis over all the present and future book debts and stock-in-trade comprising of raw material, Components, work in progress and finished goods (Excluding present and future book debts and stock-in-trade comprising of raw material, Components, work in progress and finished goods arising out of LED TV Business) for banks mentioned below.

1. Yes Bank Limited
2. Standard Chartered Bank
3. RBL Bank Limited
4. Kotak Mahindra Bank
5. ICICI Bank Limited
6. HDFC Bank Limited
7. Indusind Bank Limited
8. J P Morgan Chase Bank N.A., India
9. CTBC Bank Co., Limited
10. SBM Bank India Limited
11. IDFC First Bank Limited
12. Indusind Bank Limited
13. Axis Bank Limited
14. Bank of Baroda
15. The Hong Kong Shanghai Banking Corporation (HSBC)

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

24 Current borrowings (Contd..)

16. Doha Bank
17. Bajaj Finance Limited

Further, Borrowings from banks in form of Usance Letter of credit for business are secured on pari-passu basis over all the present and future book debts and stock-in-trade comprising of raw material, Components, work in progress and finished goods arising out of Xiaomi LED TV Business for banks mentioned below.

1. Standard Chartered Bank
2. IDFC First Bank Limited
3. ICICI Bank Limited
4. Indusind Bank Limited
5. HDFC Bank Limited

Further, Borrowings is secured by the first parri passu charge block of (present and future) entire movable fixed Assets (except those charged exclusively to other lenders) for banks mentioned below.

1. Standard Chartered Bank
2. HDFC Bank Limited

Further, Borrowings is secured by the first parri passu charge block of (present and future) movable fixed Assets of unit located at plot no 262M, Industrial area, Central hope Town, Selaqui, and District – Dehradun (both Present and Future) & unit located at C-3/1 Selaqui industrial Area, Dehradun & at Khasra No. 1022, Village Majra JamanPur, Central Hope Town, Pargana: Pachhwdoon District – Dehradun. (except those charged exclusively to other lenders) for banks mentioned below.

1. YES Bank Limited
2. HDFC Bank Limited

Further, Borrowing is secured by the exclusive charge on immovable property located at Plot No C-2/1, UPSIDC Industrial Area, Selaqui, Dehradun for bank mentioned below.

1. HDFC Bank Limited "

II a. **Interest Rate:** The interest rate applicable to this borrowing is based on the SBI 3-month MCLR (Marginal Cost of Funds Based Lending Rate). The effective interest rate as on date is 8.1% per annum.

b. **Term of borrowing-** The borrowing is repayable on-demand, which grants the lender the right to request repayment at any time.

III For security clause and repayment terms of borrowings, refer note 19.

25 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Total outstanding dues of micro and small enterprises*	6,423	5,287
b. Total outstanding dues to creditors other than micro and small enterprises	114,067	127,032
	120,490	**132,319**
* For detailed disclosure of micro and small enterprises see note 39		
Trade payable to related parties (see note 47)	3	1,071

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

25 Trade payables (Contd..)

Ageing for trade payables outstanding as at 31 March, 2023 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Total outstanding dues of micro enterprises and small enterprises	6,423	–	–	–	–	6,423
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	105,504	6,083	53	5	92	111,737
(iii) Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	
	111,927	**6,083**	**53**	**5**	**92**	**118,160**
Accrued expenses	–	–	–	–	–	2,330
	111,927	**6,083**	**53**	**5**	**92**	**120,490**

Ageing for trade payables outstanding as at 31 March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i)Total outstanding dues of micro enterprises and small enterprises	5,287	–	–	–	–	5,287
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	118,013	6,057	104	49	47	124,270
(iii)Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
(iv)Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
	123,300	**6,057**	**104**	**49**	**47**	**129,557**
Accrued expenses	–	–	–	–	–	2,762
	123,300	**6,057**	**104**	**49**	**47**	**132,319**

26 Other liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A) Non Current		
a. Deferred Grant (see note 'i' below)	1,277	1,405
	1,277	**1,405**
Note:		
i. Movement in deferred grant during the year:		
Deferred Grant:		
Balance at the beginning of the year	1,405	–
Capital grant recognised during the year	–	1,753
	1,405	**1,753**
Less: Depreciation pertaining to assets acquired from grant	128	348
	1,277	**1,405**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

26 Other liabilities (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
B) Current		
a. Advances received from customers	1,319	1,073
b. Statutory dues	4,169	4,103
	5,488	**5,176**

27 Current tax liabilities

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax liabilities (Net)	934	313
	934	**313**
Notes		
i. Opening Balance	313	8
Add: Current tax payable for the year	7,041	5,154
Less: Taxes paid	6,420	4,849
Closing Balance	**934**	**313**
ii. The closing balance of current tax liability is net of advance tax paid and tax deducted at source.		

28 Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Sale of products	685,730	733,307
b. Sale of services	13,734	14,364
c. Other operating revenues	276	770
	699,740	**748,441**
Notes		
A. Revenue from contracts with customers disaggregated based on nature of product or service		
a. Revenue from sale of products		
Manufactured goods	685,730	733,307
	685,730	**733,307**
b. Revenue from sale of services		
Sale of services	511	130
Job work charges	13,223	14,234
	13,734	**14,364**
c. Other operating revenues		
Export incentives	11	7
Rent (production facility charges)	117	66
Other incentives	148	697
	276	**770**
Total revenue from operations	**699,740**	**748,441**
B. Revenue from contracts with customers disaggregated based on geography		
a. Domestic	698,711	747,092

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

28 Revenue from operations (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
b. Exports	753	579
	699,464	747,671
C. Reconciliation of gross revenue from contracts with customers		
Gross revenue from contract with customers	686,532	734,806
Add: Cash discount and credit note etc	(802)	(1,499)
Net revenue recognised from contracts with customers	685,730	733,307

29 Other income

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest income on:		
a. Fixed deposits (margin money)	46	22
b. Loans to subsidiaries and joint ventures	1,245	102
c. Others	14	10
Other non operating income		
a. Dividend received from investments carried at cost	285	–
b. Foreign exchange fluctuation gain (Net)	–	73
c. Reversal of provision for impairment	171	–
d. Provision for doubtful debts / loans and advances written back	3	–
e. Gain on sale or fair value of mutual funds (at FVTPL)	76	55
f. Excess liabilities, credit balances, provisions etc. written back	7	–
	1,847	262

30 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Raw materials at the beginning of the year	45,304	30,226
Add: Purchases (Including Components)	599,980	694,664
	645,284	724,890
Less: Raw materials at the end of the year	30,189	45,304
	615,095	679,586

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

31 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the beginning of the year		
Finished goods	8,104	3,163
Work in progress	4,675	8,335
	12,779	**11,499**
Inventories at the end of the year		
Finished goods	5,913	8,104
Work in progress	4,035	4,675
	9,948	**12,779**
Changes in inventories of finished goods and work in progress	**2,830**	**(1,280)**

32 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Salaries, wages and bonus	14,059	12,056
b. Contribution to provident fund and other funds	870	755
c. Gratuity (see note 43)	264	224
d. Share based payments to employees (see note 46)	1,182	1,073
e. Staff welfare expenses	2,007	2,114
	18,382	**16,222**

33 Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Interest on borrowings	2,713	2,270
b. Interest on lease obligation	908	742
c. Other borrowing cost	1	3
	3,622	**3,015**

34 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Depreciation on property, plant and equipment	4,319	3,913
b. Amortisation of intangible assets	127	104
c. Depreciation on right of use assets	1,315	1,055
	5,761	**5,072**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

35 Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Consumption of stores and spares	968	1,215
b. Contractor wages and job work charges	13,373	13,333
c. Service charge	201	128
d. Power and fuel	3,393	3,061
e. Rent	626	701
f. Repairs and maintenance:		
– for buildings	82	154
– for Plant and equipment	139	197
– for others	341	361
g. Insurance	583	617
h. Rates and taxes	260	204
i. Selling and distribution expenses	2,952	2,652
j. Donations to others	5	3
k. Director's sitting fees	26	27
l. Payment to auditors (refer note below)	40	32
m. Bad debts/advances write off	5	9
n. Exchange fluctuations (net)	331	–
o. Loss on sale of property, plant and equipment (net)	305	5
p. Corporate social responsibility expenses (see note 44)	382	365
q. Bank charges	309	508
r. Miscellaneous expenses	3,051	2,479
	27,372	**26,051**

Note:

Payment to auditors comprises:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Statutory auditors		
Audit and limited reviews fees	30	27
Tax audit fees	3	3
Certification fees	3	–
Out of pocket expenses	4	1
	40	**32**

36 Tax expense

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax expense	7,036	5,117
Deferred tax benefit	369	(214)
	7,405	**4,903**
Income Tax for earlier years (net)	5	38

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

36 Tax expense (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Tax expenses for the year recognised in Profit and loss	7,410	4,941
Tax expense recognised in other comprehensive income ('OCI')	16	4
	16	4
A. Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022		
Profit before tax	28,525	20,037
Applicable income tax rate	25.17%	25.17%
Estimated income tax expense	7,179	5,043
Tax effect of adjustments to reconcile expected income tax expense to reported		
Non taxable income	136	94
Income tax for earlier years	5	38
Others	90	(234)
Income Tax expense in the Statement of Profit and Loss	7,410	4,941
B. Movement in the deferred tax liabilities (net):		
Deferred tax (net)		
a. Deferred tax liability	1,945	1,546
b. Deferred tax assets	355	309
	1,590	1,237

(₹ in Lakhs)

Particulars	As at 1 April, 2022	Recognised in profit and loss	Recognised in OCI	As at 31 March, 2023
Deferred tax liabilities				
– Written down value of property, plant and equipment and intangible assets	1,546	399	–	1,945
	1,546	**399**	**–**	**1,945**
Deferred tax assets				
– Provision for doubtful advances	7	(1)	–	6
– Provision for doubtful debts	10	(1)	–	9
– Provision for employee benefits	292	32	16	340
	309	**30**	**16**	**355**
	1,237	**369**	**(16)**	**1,590**

(₹ in Lakhs)

Particulars	As at 1 April, 2021	Recognised in profit and loss	Recognised in OCI	As at 31 March 2022
Deferred tax liabilities				
– Written down value of property, plant and equipment and intangible assets	1,717	(171)	–	1,546
	1,717	**(171)**	**–**	**1,546**
Deferred tax assets				
-Provision for doubtful advances	7	–	–	7
-'Provision for doubtful debts	36	(26)	–	10
-Provision for employee benefits	220	68	4	292
	263	**42**	**4**	**309**
	1,454	**(214)**	**(4)**	**1,237**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

37 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Financial and other commitments		
i. Letters of Credit (outstanding)	21,663	57,003
During the year, the Company has availed Non Fund based LC Limits of ₹ 2,12,500 Lakh (Previous year ₹ 1,64,500 Lakh) from various Banks to import raw material relating to manufacture of finished goods.		
ii. Guarantees issued by bankers on behalf of Company	637	2,710
(These are covered by the charge created in favour of Company's banker by way of hypothecation of stock and trade receivables besides pledge of fixed deposits as margin money)"		
iii. Corporate guarantees given to Banks on behalf of subsidiaries for purpose of financial assistance.	205,800	156,300
iv. Bill discounting with banks	7,348	25,824
v. a) Bond given to custom department on behalf of the joint venture company	100	1,300
b) Bond given to custom department on behalf of the Subsidiary company	1,600	1,220
c) Bond given to custom department under Authorised economic operator	1,107	18,550
b. Contingent liabilities		
i. Disputed tax and other liabilities for:		
a. Income tax	2,421	2,348
b. Sales tax	437	437
c. Goods and service tax	41	33
d. Excise, custom duty and service tax	2,124	2,353
e. Other disputes	18	36
ii. Summary of amount paid under protest against above:		
a. Sales tax	140	140
b. Excise, custom duty and service tax*	907	860
c. Goods and service tax	14	13
	1,061	**1,013**

The Company has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Company.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

*Search was conducted by Directorate of Revenue Intelligence (DRI) at company's premises on 20 December, 2021. During investigation, questions were raised on interpretation issue on classification on import of goods. To avoid unnecessary business interruption, the company had decided to make an deposit of ₹ 700 Lakh under protest. The Company has not received any show cause notice or demand from the Department. The management is of the opinion that the Company is in compliance of law and the Company has strong chances of success against any dispute/demand and no liability will arise.

c. Capital commitments:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Commitments for acquisition of property, plant and equipment (net of advances)	610	2,035

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

37 Contingent liabilities and commitments (to the extent not provided for) (Contd..)

d. The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

e. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Company.

f. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

38 Assets pledged as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are :

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current assets:		
Financial assets		
Trade receivables	93,066	84,559
Inventories (excluding in transit)	40,137	58,083
Total current assets mortgaged as security	**133,203**	**142,642**
Non-current:		
Land (Freehold and leasehold)	366	542
Vehicles	–	207
Buildings	2,367	4,629
Plant and machinery and others	34,879	31,906
Total non-currents assets mortgaged as security	**37,612**	**37,285**
Total assets mortgaged as security	**170,815**	**179,927**

39 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a.Principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year		
- Principal amount	6,423	5,287
- interest due	–	–
b.the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	–	–
c.the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
d.the amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
e.the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	–	–

The information of Micro, Small and Medium Enterprises have been disclosed to the extent information is available with the Company, the same have been relied upon by the auditors.

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

40 Earnings per share ("EPS")

(₹ in Lakhs)

Particulars	Units	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Basic EPS			
Profit for the year	₹ / Lakh	21,115	15,096
Weighted average number of equity shares outstanding	No's	59,422,005	58,899,761
Face value of per share	₹	2	2
Basic earnings per share	₹	35.53	25.63
b. Diluted EPS			
Profit for the year	₹ / Lakh	21,115	15,096
Weighted average number of equity shares for calculation of diluted EPS (See note below)	No's	59,853,182	59,473,503
Face value of per share	₹	2	2
Diluted Earnings per share	₹	35.27	25.38
Note:			
The weighted average number of equity shares for the purpose of diluted earnings per share:			
Weighted average number of equity shares outstanding	No's	59,422,005	58,899,761
Weighted average number of potential equity shares on exercise of stock option	No's	431,177	573,742
Weighted average number of equity shares for calculation of diluted earnings per share	**No's**	**59,853,182**	**59,473,503**

41 Details of research and development expenditure

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Revenue expenditure		
Cost of materials consumed	169	76
Employee benefits expense	444	331
Depreciation and amortisation expense	43	31
Other expenses	104	106
	760	**545**
b. Capital expenditure		
Purchase of property, plant and equipment	542	57
	542	**57**

The expenditure on research and development activities are included in respective head of expenses as presented in the standalone financial statements.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

42 Financial instruments

a. Categories of financial instruments

The carrying amount of the Company's financial instruments is as below:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial asset		
I Measured at cost		
i. Investments in subsidiaries and jointly controlled entities	10,620	9,187
II Measured at amortised cost		
i. Other financial assets		
– Non-current	2,195	2,101
– Current	2,518	2,480
ii. Trade receivables	93,066	84,559
iii. Cash and cash equivalents	4,400	11,142
iv. Other bank balances	521	505
v. Loans		
– Non current	24,581	2,000
– Current	2,930	187
III Measured at fair value through Profit and Loss (FVTPL)		
i. Investments		
– Non current	154	–
– Current	3,000	13,502

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial liabilities		
I Measured at fair value through Profit and Loss (FVTPL)		
i. Outstanding forward Marked to Market (MTM)	53	108
II Measured at amortised cost		
i. Borrowings		
– Non current	5,939	17,460
– Current (including current maturities of long term borrowings)	2,283	7,120
ii. Lease Liability		
– Non current	14,976	11,938
– Current	1,081	769
iii. Trade payables	120,490	132,319
iv. Other current financial liabilities	694	943

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

42 Financial instruments (Contd..)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level I: includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level II: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset are included in level 3.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

ii. The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value

iii. The fair values of the remaining fair value through other comprehensive income “FVTOCI” financial assets are derived from quoted market prices in active markets.

iv. The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company’s own non-performance risk. As at 31 March 2023, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

42 Financial instruments (Contd..)

b. Fair value hierarchy

The disclosure of the financial instruments measured at fair value and valuation technique are as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at 31 March, 2023	As at 31 March, 2022
Financials Assets			
Outstanding forward contracts (MTM,FVTPL)	Level II	53	108
Investments in mutual fund	Level I	3,000	13,502
Investments in equity shares	Level III	154	–

c. Financials risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

d. Financial risk management

The Company's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

42 Financial instruments (Contd..)

I. Foreign currency risk

a. The operation of the Company give exposure to foreign exchange risk arising from foreign currency transactions and foreign currency loans, primarily with respect to the US$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company hedge the foreign currency exposure. The objective of the hedges is to minimize the volatility of the ₹ cash flows of highly probable forecast transactions.

b. The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company measures the forward contract at fair value through profit and loss.

c. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

The foreign currency exposures for the year ended are as follows:

(₹ in Lakhs)

Particulars		As at 31 March, 2023			As at 31 March, 2022		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Borrowings	In USD / Lakh	–	–	–	171	–	171
	In ₹ / Lakh	–	–	–	12,966	–	12,966
Buyers' Credit	In USD / Lakh	–	–	–	60	–	60
	In ₹ / Lakh	–	–	–	4,537	–	4,537
Payables	In USD / Lakh	518	133	385	665	275	390
	In CNY / Lakh	713	–	713	123	–	123
	In JPY/Lakh	670	–	670	–	–	–
	In ₹ / Lakh	51,546	10,921	40,625	51,928	20,847	31,081
Total liability	In USD / Lakh	518	133	385	896	275	621
	In CNY / Lakh	713	–	713	123	–	123
	In JPY/Lakh	670	–	670	–	–	–
	In ₹ / Lakh	51,546	10,921	40,625	69,431	20,847	48,584
Receivables	In USD / Lakh	2	–	2	–	–	–
	In ₹ / Lakh	154	–	154	12	–	12
Total assets	In USD / Lakh	2	–	2	–	–	–
	In ₹ / Lakh	154	–	154	12	–	12

i. Foreign currency risk exposure (unhedged only)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets	154	12
Financial liabilities	40,625	48,584
Net exposure (liabilities)	**40,471**	**48,572**

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

42 Financial instruments (Contd..)

ii. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Impact on profit or loss for the year	405	486
Impact on total equity as at the end of reporting year	303	363

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables by the Company at the end of the reporting period. Impact on profit for the year are gross of tax.

II. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for ch anges in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

a. Interest rate risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Variable rate borrowings	7,082	24,393
Fixed rate borrowings	1,140	187
Total borrowings	**8,222**	**24,580**

b. Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Impact on profit or loss for the year	71	244
Impact on total equity as at the end of reporting year	53	183

Impact on profit for the year are gross of tax and impact on total equity is net of tax

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

42 Financial instruments (Contd..)

B Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The Company's exposure to customers is diversified and two customers contributes to more than 10% of outstanding trade receivable.

Reconciliation of loss allowance provision

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	38	142
Reversal of provision during the year	3	–
Provision adjusted against the amount written off	1	104
Closing provision	**34**	**38**

The provision for loss allowances of trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

C Liquidity risk management

a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b. "The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of financial liabilities

(₹ in Lakhs)

As on 31 March, 2023	<12 months	>12 months	Total	Carrying value
Non Derivative				
Long term borrowings	–	5,939	5,939	5,939
Short term borrowings including current maturities of long term debt	2,283	–	2,283	2,283
Trade payables	120,490	–	120,490	120,490

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

42 Financial instruments (Contd..)

(₹ in Lakhs)

As on 31 March, 2023	<12 months	>12 months	Total	Carrying value
Lease liability	1,081	14,976	16,057	16,057
Other financial liabilities	747	–	747	747

(₹ in Lakhs)

As on 31 March, 2022	<12 months	>12 months	Total	Carrying value
Non Derivative				
Long term borrowings	–	17,460	17,460	17,460
Short term borrowings including current maturities of long term debt	7,120	–	7,120	7,120
Trade payables	132,319	–	132,319	132,319
Lease liability	769	11,938	12,707	12,707
Other financials liabilities	1,051	–	1,051	1,051

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of financial assets

(₹ in Lakhs)

As on 31 March, 2023	<12 months	>12 months	Total	Carrying value
Non derivative				
Other financial assets	2,518	2,195	4,713	4,713
Investments	3,000	10,774	13,774	13,774
Trade receivables	93,066	–	93,066	93,066
Cash and cash equivalents	4,400	–	4,400	4,400
Bank balances other than cash and cash equivalent	521	–	521	521
Loans	2,930	24,581	27,511	27,511

(₹ in Lakhs)

As on 31 March, 2022	<12 months	>12 months	Total	Carrying value
Non derivative				
Other financial assets	2,480	2,101	4,581	4,581
Investments	13,502	9,187	22,689	22,689
Trade receivables	84,559	–	84,559	84,559
Cash and cash equivalents	11,142	–	11,142	11,142
Bank balances other than cash and cash equivalent	505	–	505	505
Loans	187	2,000	2,187	2,187

e. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

42 Financial instruments (Contd..)

payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and current investments.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Net debt		
a. Borrowings		
– Non current	5,939	17,460
– Current (including current maturities of long term debt)	2,283	7,120
	8,222	**24,580**
b. Cash and cash equivalents	4,400	11,142
c. Current investments	3,000	13,502
	7,400	**24,644**
Net debt/(Surplus)	**822**	**(64)**
Total equity	**116,640**	**92,226**
Net debt to equity ratio	**0.70%**	**–0.07%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

Loan covenants

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:

a. Current ratio Must be more then 1.33

b. Interest Coverage ratio must be more then 4.0 time

c. DSCR >1.5

d Total Debt /EBIDTA < 2.0

e Total Outside liabilities / Total Net worth <2.5

f At least 30% of Collection (excluding Xiaomi sale) to be routed through HDFC Bank Limited

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

43 Employee benefit obligations

a. Defined Contribution Plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Contribution to provident fund and other funds		
a. Contribution to provident fund	765	662
b. Contribution to employee state insurance	41	41
c. Contribution to national pension scheme	64	52
	870	**755**

b. Defined benefits plan

Gratuity: The Company provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The resent value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(i) Principal actuarial assumptions

(₹ in Lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
Future salary increase		6.00%	6.00%
Discount rate		7.36%	7.19%
Mortality rates		100% of IALM (2012-14)	100% of IALM (2012-14)
Attributes of ages: withdrawal rate (%)			
	up to 30 years	3.00%	3.00%
	From 31 to 44 years	2.00%	2.00%
	Above 44 years	1.00%	1.00%
Retirement age (years)		58	58

(ii) Amount recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current service cost	187	165
Net interest cost	77	59
Expense recognised in the statement of profit and loss	**264**	**224**

(iii) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	–	–
Actuarial (gains) / losses arising from changes in financial assumptions	(20)	(46)
Actuarial (gains) / losses arising from experience adjustments	86	60
Amount recognised in other comprehensive income	**66**	**14**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

43 Employee benefit obligations (Contd..)

Notes:

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the statement of profit and loss.

ii. The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

iii. The Company gratuity scheme is unfunded.

(iv) Movements in the present value of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Liability at the beginning of the year	1,077	875
Interest Costs	77	59
Current Service Costs	187	165
Benefits paid	(159)	(36)
Actuarial (Gain)/Loss on obligations due to change in Obligation	66	14
Liability at the end of the year	**1,248**	**1,077**

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for gratuity		
- Non-Current	1,060	940
- Current	188	137
	1,248	**1,077**

(v) Experience Adjustments

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of DBO	1,248	1,077	875	693	498
Fair value of plan assets	–	–	–	–	–
Funded status	–	–	–	–	–
Gain/(loss) on obligation	(66)	(14)	(7)	(67)	(12)
Gain/(loss) on plan assets	–	–	–	–	–

(vi) Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A.Impact of the change in discount rate		
Present Value of Obligation at the end of the year	1,248	1,077
Impact due to increase of 0.50 %	(58)	(51)
Impact due to decrease of 0.50 %	63	56
B.Impact of the change in salary increase		

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

43 Employee benefit obligations (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Present Value of Obligation at the end of the year	1,248	1,077
Impact due to increase of 0.50 %	59	53
Impact due to decrease of 0.50 %	(56)	(49)

Notes:

i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.

ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

iii. The above sensitivity analysis are without giving the impact of tax.

(vii) Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Financial year	Amount
With in 1 year	188
Between 1 to 5 years	192
Above 5 years	868
	1,248

Description of Actuarial Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

a. Salary Increases: Change in rate of future salary increase in subsequent years will result in higher liability.

b.. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

c. Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact Plan's liability.

C. Actuarial assumptions for compensated absences are as below:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
i. Discounting rate	7.36%	7.19%
ii. Future increase salary	6.00%	6.00%

Liability for compensated absences is recognised on the basis of actuarial valuation as per Projected Unit Credit Method

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

44 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of average net profit of the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The nature of CSR activities identified are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. The Company has formed a CSR committee as per the Act.

(i) The amount spent by the Company on CSR activates is as below:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Gross amount required to be spent by the Company	382	297
Total (A)	382	297
B. Amount spent by the company:		
a. Expenditure/payments		
i. Saint Hardyal Educational and Orphans Welfare Society (SHEOWS)	35	9
ii. Jan Madhyam	18	–
iii. Nav Abhiyan	10	5
iv. Purkal Youth Development Society	26	–
v. Donation of Ambulances through state govt. of Uttarakhand	–	43
vi. *PM Cares fund pertains to FY 2021-22 (previous year related to FY 2020-21)	2	67
vii. Donation of Oxygen Concentrators	–	231
viii. Champa Devinder Dhingra Trust	–	2
ix. Labhya Foundation	30	5
x. Youth Foundation	–	3
xi. Bansividya Memorial Trust	10	–
xii. Isha Foundation	10	–
xiii. Mahavir Foundation Trust	10	–
xiv PHD Rural Development Foundation	6	–
xv Rotary Club South end	20	–
xvi Reimagining Higher Education Foundation	153	–
xvii Teach to Lead	50	–
Total (a)	380	365
b. Repair to school	4	–
Total (b)	4	–
Total expenditure (a)+(b)	384	365
C. Shortfall at the end of the year	–	–

There is no payment made to related parties

(ii) Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at the beginning of the year	–	67
Amount required to be spent during the period	382	297
Amount deposited in a specified fund of Schedule VII of the Act within 6 months	(2)	-
Amount spent during the period/year	384	365
Shortfall/(excess) as at the closing of the year	–	–

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

44 Corporate Social Responsibility (Contd..)

(iii) Details of excess CSR expenditure under section 135(5) of the Act

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance excess spent as at the beginning of the year	–	–
Amount required to be spent during the period	–	–
Amount spent during the year (for the FY 2022-23)	–	–
Shortfall/(excess) as at the closing of the year	**–**	**–**

*Form CSR-1 was not provided by the Champa Devinder Dhingra Trust . Hence, the said amount of ₹ 2 lakhs has been transferred to PM Cares Fund in accordance with the provision of section 135 (5) of the companies act, 2013.

45 Segment Reporting

The Chief Operating Decision Maker (CODM) comprises of the Board of Directors ,Vice Chairman and Managing Director and Chief Financial Officer which examines the Company's performance on the basis of single operating segment Electronics Goods. Accordingly segment disclosure has not been made.

Revenue from two customers (Previous year two customers) of the Company represented approximately 48% (Previous year 54%)of the total revenue .

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

46 Employee Stock Option Plan

A. The company had a Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ('Dixon ESOP 2018') and Dixon Technologies (India) Limited — Employee Stock Option Plan, 2020 ('Dixon ESOP 2020') which provided for the grant of equity shares of the company to the eligible employees of the company , its subsidiaries and its joint ventures companies. The board of directors recommended the establishment of the Dixon ESOP 2018 and Dixon ESOP 2020 to the shareholders on 26th May, 2018 and 22nd August, 2020 respectively and shareholders approved the recommendations of the Board of Directors in Annual General Meeting held on 25th July, 2018 and 29th September, 2020 respectively. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2018 and Dixon ESOP 2020 was 5,00,000 equity shares and 3,00,000 Equity Shares respectively. Further, effective 19th March, 2021, the equity shares of the Company have been splitted from 1 equity share of ₹ 10/- each to 5 equity shares of ₹ 2/- each, therefore, the aforementioned numbers of equity shares have been adjusted accordingly in the below table. Under Dixon ESOP 2018, the company has approved 4 grants vide its meeting held on 31st October, 2018 , 13th November, 2019, 04th August, 2020 and 25th March, 2022 and under Dixon ESOP 2020 has approved 3 grants vide its meeting held on 30th October, 2020, 20th October, 2022 and 06th February, 2023. As per the plan, option granted under Dixon ESOP 2018 would vest in not less than one year and not more than 4 years from the date of grant of such options and the options granted under Dixon ESOP 2020 would vest in not less than one year and not more than 5 years from the date of grant of such options. Both the Plans are Equity Settled Plans.

(₹ in Lakhs)

Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
	Grant I	Grant II	Grant III	Grant IV	Grant-I	Grant II	Grant- III
Date of Grant	31-Oct-18	13-Nov-19	4-Aug-20	25-Mar-22	30-Oct-20	20-Oct-22	6-Feb-23
Date of Share holders Approval	25-Jul-18	25-Jul-18	25-Jul-18	25-Jul-18	29-Sep-20	29-Sep-20	29-Sep-20
Date of Board of Directors Approval / Committee	26-May-18	26-May-18	26-May-18	26-May-18	22-Aug-20	22-Aug-20	22-Aug-20
No. of Option	2,488,000	24,500	72,500	26,500	1,500,000	166,500	41,000
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	31-Oct-19	13-Nov-20	4-Aug-21	25-Mar-23	30-Oct-21	21-Oct-23	7-Feb-24
	31-Oct-20	13-Nov-21	–	25-Mar-24	30-Oct-22	21-Oct-24	7-Feb-25
	31-Oct-21	–	–	25-Mar-25	30-Oct-23	21-Oct-25	7-Feb-26
	-	–	–	–	30-Oct-24	21-Oct-26	7-Feb-27
	-	–	–	–	30-Oct-25	21-Oct-27	7-Feb-28
Exercise Price (Per Share ₹)	372.96/-	418.52/-	1,434.31/-	3,458.52/-	1,538.26/-	A. 75,000 equity shares @ ₹ 2,563.59/- B. 25,000 equity shares @ ₹ 2,777.22/- C. 66,500 equity shares @ ₹3,631.75/-	2,617.67/-
Exercise Period	Options vested may be exercised by the Option Grantee within a maximum period of	Options vested may be exercised by the Option Grantee within a maximum period of	Options vested may be exercised by the Option Grantee within a maximum period of	Options vested may be exercised by the Option Grantee within a maximum period of	Options vested may be exercised by the Option Grantee within a maximum period of	Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options.	Options vested may be exercised by the Option Grantee within a maximum period of

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
	Grant I	Grant II	Grant III	Grant IV	Grant-I	Grant II	Grant- III
	One Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	One Year from the date of last vesting of Options. Hence maximum term of Options granted is 3 years.	One Year from the date of last vesting of Options. Hence maximum term of Options granted is 2 years.	One Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	One Year from the date of last vesting of Options. Hence maximum term of Options granted is 6 years.	Hence maximum term of Options granted is 6 years.	One Year from the date of last vesting of Options. Hence maximum term of Options granted is 6 years.
Ext. of Exercise Period	None	None	None	None	None	None	None

(₹ in Lakhs)

Particulars	As on 31 March, 2023								
	Dixon ESOP 2018				Dixon ESOP 2020				
	Grant I	Grant II	Grant III	Grant IV	Grant I	Grant II			Grant III
						A	B	C	
1 Outstanding at the beginning									
– Shares arising out of options	–	–	–	26,500	884,920	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	1,538	–	–	–	–
2 New option granted during the year									
– Shares arising out of options	–	–	–	–	–	75,000	25,000	66,500	41,000
– Weighted average exercise price	–	–	–	–	–	2,564	2,777	3,632	2,618
3 Forfeited and expired									
– Shares arising out of options	–	–	–	4,000	16,260	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	1,538	–	–	–	–
4 Options Exercised during the year									
– Shares arising out of options	–	–	–	–	218,230	–	–	–	–
– Weighted average exercise price	–	–	–	–	1,538	–	–	–	–
5 Outstanding at the end									
– Shares arising out of options	–	–	–	15,750	650,430	75,000	25,000	66,500	41,000
– Weighted average exercise price	–	–	–	3,459	1,538	2,564	2,777	3,632	2,618
6 Exercisable at the end									
– Shares arising out of options	–	–	–	6,750	–	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	–	–	–	–	–

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	As on 31 March, 2022								
	Dixon ESOP 2018				Dixon ESOP 2020				
	Grant I	Grant II	Grant III	Grant IV	Grant I	Grant II			Grant III
						A	B	C	
1 Outstanding at the beginning									
– Shares arising out of options	462,600	12,250	72,500	–	1,234,150	–	–	–	–
– Weighted average exercise price	373	419	1,434	–	1,538				
2 New option granted during the year									
– Shares arising out of options	–	–	–	26,500	–	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	–	–	–	–	–
3 Forfeited and expired									
– Shares arising out of options	11,000	–	10,000	–	103,000	–	–	–	–
– Weighted average exercise price	373	–	1,434	–	1,538	–	–	–	–
4 Options Exercised during the year									
– Shares arising out of options	451,600	12,250	62,500	–	246,230	–	–	–	–
– Weighted average exercise price	373	419	1,434	–	1,538	–	–	–	–
5 Outstanding at the end									
– Shares arising out of options	–	–	–	26,500	884,920	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	1,538	–	–	–	–
6 Exercisable at the end									
– Shares arising out of options	–	–	–	–	–	–	–	–	–
– Weighted average exercise price	–	–	–	–	–	–	–	–	–

* Fair value of option is based on the valuation report of option.

Pursuant to the approval of the shareholders accorded on March 7, 2021 vide postal ballot conducted by the Company, each equity share of face value of ₹ 10/- per share was subdivided into five equity shares of face value of ₹ 2/- per share, with effect from March 19, 2021, accordingly the presentation for the current year have been updated.

B. The company has implemented an Employee Stock Option Plan (ESOP) for employees working in its subsidiary and joint ventures companies. These ESOPs are being offered at a discounted price. Furthermore, the company intends to reclaim the ESOP discounts given to subsidiary employees from the respective subsidiaries.

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

47 Related party disclosures

a. List of related parties

i. Subsidiary Companies

a. Dixon Global Private Limited

b. Padget Electronics Private Limited

c. Dixon Electro Appliances Private Limited

d. Dixon Technologies Solutions Private Limited

e. Dixon Electro Manufacturing Private Limited

f. Rexxam Dixon Electronics Private Limited (formerly known as Dixon Devices Pvt. Ltd.) (Incorporated as subsidiary on 15 May, 2021 upto 22 March, 2022)

g. Dixtel Communications Private Limited (Incorporated as subsidiary on 22 February,2023)

ii. Joint Venture Company

a. AIL Dixon Technologies Private Limited

b. Rexxam Dixon Electronics Private Limited (formerly known as Dixon Devices Pvt. Ltd.) (from 23 March, 2022)

c. Califonix Tech and Manufacturing Private Limited (Incorporated on 27 April,2022)

iii. Key Managerial Personnel and their relatives

a.	Mr. Sunil Vachani	Chairman
b.	Mr. Atul B. Lall	Vice Chairman and Managing Director
c.	Mr. Manuji Zarabi	Non Executive Independent Director
d.	Ms. Poornima Shenoy	Non Executive Independent Director
e.	Mr. Manoj Maheshwari	Non Executive Independent Director
f.	Mr. Keng Tsung Kuo	Non Executive Independent Director
g.	Mr. Rakesh Mohan	Non Executive Independent Director
h.	Mr. Prithvi Vachani	Project Manager (Son of Chairman)
i.	Mr. Saurabh Gupta	Chief Finance Officer (CFO)
j.	Mr. Ashish Kumar	Company Secretary

iv. Entities over which individuals mentioned in (iii) above are able to exercise control/significant influence

a. Dixon Applied Technology Training Institute

v. Entities over which executive directors or relatives are able to exercise control/significant influence

a. Light House Partners

b. Topline Electronics Private Limited

c. Smartice LLP

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

b. Transactions /balances outstanding with related parties

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Transactions during the year										
Investment in equity shares	10	**4**	505	**600**	–	**–**	–	**–**	515	**604**
Rexxam Dixon Electronics Private Limited	–	–	–	600	–	–	–	–	–	600
Califonix Tech and Manufacturing Private Limited	–	–	505	–	–	–	–	–	505	–
Dixon Electro Appliances Private Limited	–	4	–	–	–	–	–	–	–	4
Dixtel Communications Private Limited	10	–	–	–	–	–	–	–	10	–
Investment in Preference Share Instrument	918	**4,080**	–	**–**	–	**–**	–	**–**	918	**4,080**
Dixon Electro Appliances Private Limited	918	4,080	–	–	–	–	–	–	918	4,080
Interest income	1,244	**99**	1	**3**	–	**–**	–	**–**	1,245	**102**
Padget Electronics Private Limited	841	96	–	–	–	–	–	–	841	96
AIL Dixon Technologies Private Limited	–	–	–	2	–	–	–	–	–	2
Dixon Electro Appliances Private Limited	20	1	–	–	–	–	–	–	20	1
Dixon Electro Manufacturing Private Limited	340	1	–	–	–	–	–	–	340	1
Dixon Technologies Solutions Private Limited	43	1	–	–	–	–	–	–	43	1
Rexxam Dixon Electronics Private Limited	–	–	1	1	–	–	–	–	1	1
Dividend Income	–	**–**	285	**–**	–	**–**	–	**–**	285	**–**
AIL Dixon Technologies Private Limited	–	–	285	–	–	–	–	–	285	–
Finance cost	9	**26**	–	**–**	–	**–**	–	**–**	9	**26**
Padget Electronics Private Limited	4	26	–	–	–	–	–	–	4	26
Dixon Global Private Limited	5	–	–	–	–	–	–	–	5	–
Sale of services	247	**–**	264	**130**	–	**–**	–	**–**	511	**130**
Dixon Electro Appliances Private Limited	147	–	–	–	–	–	–	–	147	–
Dixon Electro Manufacturing Private Limited	100	–	–	–	–	–	–	–	100	–
Rexxam Dixon Electronics Private Limited	–	–	24	–	–	–	–	–	24	–
AIL Dixon Technologies Private Limited	–	–	240	130	–	–	–	–	240	130
Service charges paid	–	**–**	–	**–**	–	**–**	1	**1**	1	**1**
Smartice LLP	–	–	–	–	–	–	1	1	1	1
Sale of goods	15,340	**16,062**	19,353	**26**	–	**–**	68	**1**	34,761	**16,089**

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Dixon Global Private Limited	–	1,404	–	–	–	–	–	–	–	1,404
Dixon Electro Appliances Private Limited	3,997	–	–	–	–	–	–	–	3,997	–
Dixon Technologies Solutions Private Limited	27	–	–	–	–	–	–	–	27	–
Padget Electronics Private Limited	11,316	14,658	–	–	–	–	–	–	11,316	14,658
AIL Dixon Technologies Private Limited	–	–	23	26	–	–	–	–	23	26
Rexxam Dixon Electronics Private Limited	–	–	19,330	–	–	–	–	–	19,330	–
Topline Electronics Private Limited	–	–	–	–	–	–	68	1	68	1
Purchase of raw material	**26**	**5,039**	**2,894**	**594**	**–**	**–**	**–**	**–**	**2,920**	**5,633**
Dixon Global Private Limited	14	5,036	–	–	–	–	–	–	14	5,036
Padget Electronics Private Limited	12	3	–	–	–	–	–	–	12	3
AIL Dixon Technologies Private Limited	–	–	284	594	–	–	–	–	284	594
Rexxam Dixon Electronics Private Limited	–	–	2,610	–	–	–	–	–	2,610	–
Job work charges income	**–**	**178**	**59**	**26**	**–**	**–**	**–**	**–**	**59**	**204**
Padget Electronics Private Limited	–	178	–	–	–	–	–	–	–	178
Rexxam Dixon Electronics Private Limited	–	–	49	–	–				49	–
AIL Dixon Technologies Private Limited	–	–	10	26	–	–	–	–	10	26
Job work charges expense	**48**	**91**	**–**	**–**	**–**	**–**	**–**	**–**	**48**	**91**
Padget Electronics Private Limited	48	91	–	–	–	–	–	–	48	91
Sale of Property, plant and equipment	**130**	**933**	**230**	**–**	**–**	**–**	**–**	**–**	**360**	**933**
Dixon Electro Appliances Private Limited	127	–	–	–	–	–	–	–	127	–
Padget Electronics Private Limited	3	933	–	–	–	–	–	–	3	933
Rexxam Dixon Electronics Private Limited	–	–	230	–	–	–	–	–	230	–
Purchase of Property, plant and equipment	**255**	**11**	**–**	**–**	**–**	**–**	**–**	**–**	**255**	**11**
Padget Electronics Private Limited	255	11	–	–	–	–	–	–	255	11
Rent income	**9**	**63**	**100**	**–**	**–**	**–**	**–**	**–**	**109**	**63**
Padget Electronics Private Limited	9	63	–	–	–	–	–	–	9	63
Rexxam Dixon Electronics Private Limited	–	–	100	–	–	–	–	–	100	–
Reimbursement of expenses	**15**	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**15**	**1**
Dixon Electro Manufacturing Private Limited	–	1	–	–	–	–	–	–	–	1
Dixon Technologies Solutions Private Limited	15	–	–	–	–	–	–	–	15	–

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Corporate Guarantee given on behalf of the Subsidiaries	**57,500**	**106,300**	–	–	–	–	–	–	**57,500**	**106,300**
Padget Electronics Private Limited	57,500	79,300	–	–	–	–	–	–	57,500	79,300
Dixon Electro Appliances Private Limited	–	27,000	–	–	–	–	–	–	–	27,000
Bond Given to Custom Department by the company on behalf of subsidiaries/joint venture	–	**1,100**	**100**	–	–	–	–	–	**100**	**1,100**
Padget Electronics Private Limited	–	1,100	–	–	–	–	–	–	–	1,100
Rexxam Dixon Electronics Private Limited	–	–	100	–	–	–	–	–	100	–
Bond Given to Custom Department by subsidiary on behalf of the company	–	**100**	–	–	–	–	–	–	–	**100**
Padget Electronics Private Limited	–	100	–	–	–	–	–	–	–	100
Loans provided	**106,828**	**29,841**	–	**44**	–	–	–	–	**106,828**	**29,885**
Padget Electronics Private Limited	87,608	29,692	–	–	–	–	–	–	87,608	29,692
Dixon Electro Appliances Private Limited	1,731	50	–	–	–	–	–	–	1,731	50
Dixon Electro Manufacturing Private Limited	15,079	43	–	–	–	–	–	–	15,079	43
Dixon Technologies Solutions Private Limited	2,410	56	–	–	–	–	–	–	2,410	56
Rexxam Dixon Electronics Private Limited	–	–	–	44	–	–	–	–	–	44
Repayment of loans provided	**81,460**	**33,098**	**44**	**500**	–	–	–	–	**81,504**	**33,598**
AIL Dixon Technologies Private Limited	–	–	–	500	–	–	–	–	–	500
Padget Electronics Private Limited	80,179	33,092	–	–	–	–	–	–	80,179	33,092
Dixon Electro Appliances Private Limited	1,281	–	–	–	–	–	–	–	1,281	–
Dixon Electro Manufacturing Private Limited	–	6	–	–	–	–	–	–	–	6
Rexxam Dixon Electronics Private Limited	–	–	44	–	–	–	–	–	44	–
Borrowings received	**5,020**	**13,103**	–	–	–	–	–	–	**5,020**	**13,103**
Padget Electronics Private Limited	4,000	13,103	–	–	–	–	–	–	4,000	13,103
Dixon Global Private Limited	1,020	–	–	–	–	–	–	–	1,020	–
Borrowings repaid	**4,000**	**13,103**	–	–	–	–	–	–	**4,000**	**13,103**
Padget Electronics Private Limited	4,000	13,103	–	–	–	–	–	–	4,000	13,103

Notes to Standalone Financial Statements
for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Director sitting fees	**–**	**–**	**–**	**–**	**27**	**28**	**–**	**–**	**27**	**28**
Mr. Rakesh Mohan	–	–	–	–	4	3	–	–	4	3
Mr. Manuji Zarabi	–	–	–	–	7	7	–	–	7	7
Ms. Poornima Shenoy	–	–	–	–	4	6	–	–	4	6
Mr. Manoj Maheshwari	–	–	–	–	7	7	–	–	7	7
Mr. Keng Tsung Kuo	–	–	–	–	5	5	–	–	5	5
Remuneration (including commission)	**–**	**–**	**–**	**–**	**2,224**	**1,561**	**–**	**–**	**2,224**	**1,561**
Mr. Sunil Vachani	–	–	–	–	877	500	–	–	877	500
Mr. Atul B. Lall*	–	–	–	–	874	643	–	–	874	643
Mr. Saurabh Gupta **	–	–	–	–	311	277	–	–	311	277
Mr. Ashish Kumar #	–	–	–	–	99	86	–	–	99	86
Mr. Prithvi Vachani	–	–	–	–	3	4	–	–	3	4
Mr. Rakesh Mohan	–	–	–	–	12	3	–	–	12	3
Mr. Manuji Zarabi	–	–	–	–	12	12	–	–	12	12
Ms. Poornima Shenoy	–	–	–	–	12	12	–	–	12	12
Mr. Manoj Maheshwari	–	–	–	–	12	12	–	–	12	12
Mr. Keng Tsung Kuo	–	–	–	–	12	12	–	–	12	12
ESOPs	**–**	**–**	**–**	**–**	**1,138**	**1,545**	**–**	**–**	**1,138**	**1,545**
Mr. Atul B. Lall	–	–	–	–	615	615	–	–	615	615
Mr. Saurabh Gupta	–	–	–	–	308	548	–	–	308	548
Mr. Ashish Kumar	–	–	–	–	215	382	–	–	215	382

* The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 1 lakh (previous year ₹ 1 lakh) and security premium amounting to ₹ 615 lakhs (previous year ₹ 615 lakhs).

** The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 0.40 lakhs (previous year ₹ 2 lakhs) and security premium amounting to ₹ 308 lakhs (previous year ₹ 548 lakhs).

The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 0.28 lakh (previous year ₹ 1 lakh) and security premium amounting to ₹ 215 lakhs (previous year ₹ 382 lakhs).

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Subsidiary		Joint Venture		KMP and their relatives		Entities over which relatives of executive directors are able to exercise control/significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Outstanding balances										
Trade Payable	3	**1,071**	–	–	–	–	–	–	3	**1,071**
Dixon Global Private Limited	3	1,071	–	–	–	–	–	–	3	1,071
Surety Bond Given to Custom Department on behalf of the Joint Venture companies	–	–	100	**1,300**	–	–	–	–	100	**1,300**
Rexxam Dixon Electronics Pvt. Ltd.	–	–	100	–	–	–	–	–	100	–
AIL Dixon Technologies Private Limited	–	–	–	1,300	–	–	–	–	–	1,300
Trade receivables	5,698	**6,267**	5,832	**157**	–	–	23	**1**	11,553	**6,425**
AIL Dixon Technologies Private Limited	–	–	152	157	–	–	–	–	152	157
Dixon Electro Appliancess Private Limited	2,702	–	–	–	–	–	–	–	2,702	–
Dixon Electro Manufacturing Private Limited	268	1	–	–	–	–	–	–	268	1
Dixon Technologies Solutions Private Limited	82	–	–	–	–	–	–	–	82	–
Rexxam Dixon Electronics Private Limited	–	–	5,680	–	–	–	–	–	5,680	–
Padget Electronics Private Limited	2,646	6,266	–	–	–	–	–	–	2,646	6,266
Topline Electronics Private Limited	–	–	–	–	–	–	23	1	23	1
Interest earned but not due	–	**3**	–	**1**	–	–	–	–	–	**4**
Dixon Electro Appliances Private Limited	–	1	–	–	–	–	–	–	–	1
Dixon Electro Manufacturing Private Limited	–	1	–	–	–	–	–	–	–	1
Dixon Technologies Solutions Private Limited	–	1	–	–	–	–	–	–	–	1
Rexxam Dixon Electronics Private Limited	–	–	–	1	–	–	–	–	–	1
Loans	27,511	**2,143**	–	**44**	–	–	–	–	27,511	**2,187**
Dixon Electro Appliances Private Limited	500	50	–	–	–	–	–	–	500	50
Dixon Electro Manufacturing Private Limited	15,115	37	–	–	–	–	–	–	15,115	37
Dixon Technologies Solutions Private Limited	2,466	56	–	–	–	–	–	–	2,466	56
Rexxam Dixon Electronics Private Limited	–	–	–	44	–	–	–	–	–	44
Padget Electronics Private Limited	9,430	2,000	–	–	–	–	–	–	9,430	2,000
Borrowings	1,020	–	–	–	–	–	–	–	1,020	–
Dixon Global Private Limited	1,020	–	–	–	–	–	–	–	1,020	–
Advances to Key management Persons	–	–	–	–	–	**0.80**	–	–	–	**0.80**
Mr. Atul B. Lall	–	–	–	–	–	0.17	–	–	–	0.17
Mr. Sunil Vachani	–	–	–	–	–	0.15	–	–	–	0.15
Mr. Prithvi Vachani	–	–	–	–	–	0.48	–	–	–	0.48

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Subsidiary		Joint Venture		KMP and their relatives		Entities over which relatives of executive directors are able to exercise control/significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Payable to Key Management Persons	–	–	–	–	7	22	–	–	7	22
Mr. Saurabh Gupta	–	–	–	–	–	6	–	–	–	6
Mr. Ashish Kumar	–	–	–	–	–	2	–	–	–	2
Mr. Manoj Maheshwari	–	–	–	–	2	3	–	–	2	3
Mr. Manuji Zarabi	–	–	–	–	2	3	–	–	2	3
Ms. Poornima Shenoy	–	–	–	–	1	3	–	–	1	3
Mr. Rakesh Mohan	–	–	–	–	1	2	–	–	1	2
Mr. Keng Tsung Kuo	–	–	–	–	1	3	–	–	1	3
Bond Given to Custom Department by the company on behalf of Subsidiary	1,600	–	–	–	–	–	–	–	1,600	–
Padget Electronics Private Limited	1,600	–	–	–	–	–	–	–	1,600	–
Bond Given to Custom Department by Subsidiaries/ joint venture companies on behalf of the company	1,034	1,220	–	–	–	–	–	–	1,034	1,220
Padget Electronics Private Limited	1,034	1,220	–	–	–	–	–	–	1,034	1,220
Corporate guarantee	205,800	156,300	–	–	–	–	–	–	205,800	156,300
Dixon Global Private Limited	–	8,000	–	–	–	–	–	–	–	8,000
Dixon Electro Appliances Private Limited	27,000	27,000	–	–	–	–	–	–	27,000	27,000
Padget Electronics Private Limited	178,800	121,300	–	–	–	–	–	–	178,800	121,300
Investment in equity shares	3,567	3,557	2,055	1,550	–	–	–	–	5,622	5,107
Dixon Global Private Limited	100	100	–	–	–	–	–	–	100	100
AIL Dixon Technologies Private Limited	–	–	950	950	–	–	–	–	950	950
Dixon Electro Appliances Private Limited	5	5	–	–	–	–	–	–	5	5
Padget Electronics Private Limited	3,450	3,450	–	–	–	–	–	–	3,450	3,450
Dixon Technologies Solutions Private Limited	1	1	–	–	–	–	–	–	1	1
Dixon Electro Manufacturing Private Limited	1	1	–	–	–	–	–	–	1	1
Rexxam Dixon Electronics Private Limited	–	–	600	600	–	–	–	–	600	600
Dixtel Communications Private Limited	10	–	–	–	–	–	–	–	10	–
Califonix Tech and Manufacturing Private Limited	–	–	505	–	–	–	–	–	505	–
Investment in preference shares	4,998	4,080	–	–	–	–	–	–	4,998	4,080
Dixon Electro Appliances Private Limited	4,998	4,080	–	–	–	–	–	–	4,998	4,080

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

48 Disclosure of financial ratios

(₹ in Lakhs)

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance %	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.18	1.29	-9%	Not material
Debt-Equity Ratio	Total debt	Total equity	0.21	0.40	-49%	The change in the debt-to-equity ratio was influenced by both the repayment of debt and the increase in equity resulting from retained earnings.
Debt Service Coverage ratio	Net operating Income	Total debt service	1.26	0.62	102%	In the current year, the total debt service exceeded that of the previous year, indicating an increase in the overall amount of debt being serviced.
Inventory Turnover ratio	Cost of Goods Sold	Average Inventory	11.35	11.20	1%	Not material
Trade Receivable Turnover Ratio	Net sales	Average trade receivables	7.88	8.10	-3%	Not material
Trade Payable Turnover Ratio	Net purchases	Average trade payables	4.75	5.06	-6%	Not material
Net Capital Turnover Ratio	Net sales	Working capital	29.44	17.30	70%	The increase in the Capital Turnover Ratio can be attributed to the higher sales achieved compared to the previous year, indicating improved efficiency in utilizing capital for generating revenue. Additionally, there may have been an underutilization of working capital, which could have further contributed to the increase in the ratio.
Net Profit ratio	Profit after tax	Net sales	0.03	0.02	49%	company has become more efficient in generating revenue from its capital. Despite the challenges of lower sales and underutilization of working capital, the company has managed to improve its capital turnover, a better utilization of available resources to generate sales.
Return on Equity ratio	Profit after tax	Total equity	0.18	0.16	11%	Not material
Return on Capital Employed	Earning before interest and tax	Capital employed	0.23	0.18	23%	Not material
Return on Investment	Earning before interest and tax	Total Assets	0.12	0.08	39%	Due to increase in net profit compare to previous year.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

	Basis of ratios	Year ended 31 March 2023	Ratio	Year ended 31 March 2022	Ratio
(i)	**Working of the ratios**				
a.	**Current ratio**				
	Current assets	155,413	1.18	190,567	1.29
	Current liability	131,643		147,313	
b.	**Debt Equity ratio**				
	Total debt (see note ii)	24,279	0.21	37,287	0.40
	Total equity (Equity share capital+ other equity)	116,640		92,226	
c.	**Debt service coverage ratio**				
	Net operating income (Profit after tax+Finance cost+Depreciation and amortisation expenses)	30,498	1.26	23,183	0.62
	Total debt service (Long term debt+Short term debt+Capital lease obligation)	24,279		37,287	
d.	**Inventory turnover ratio**				
	Cost of goods sold	617,925	11.35	678,306	11.20
	Average Inventory = (Opening stock + Closing stock) / 2	54,428		60,567	
e.	**Trade receivables turnover ratio**				
	Net sales (Total sales - Sales return)	699,740	7.88	748,441	8.10
	Average trade receivables = (Opening debtors +Closing debtors) / 2	88,813		92,430	
f.	**Trade payables turnover ratio**				
	Total purchases (Net of purchase return)	599,980	4.75	694,664	5.06
	Average trade payables = (Opening creditors + Closing creditors) / 2	126,405		137,336	
g.	**Net capital turnover ratio**				
	Net sales (Total sales - Sales return)	699,740	29.44	748,441	17.30
	Working capital = Current assets - Current liabilities	23,770		43,254	
h.	**Net profit ratio**				
	Profit after tax	21,115	0.03	15,096	0.02
	Net sales (Total sales - Sales return)	699,740		747,671	
i.	**Return on equity ratio**				
	Profit after tax	21,115	0.18	15,096	0.16
	Total equity (Equity share capital+ other equity)	116,640		92,226	
j.	**Return on Capital Employed**				
	Earnings before interest and tax	32,147	0.23	23,052	0.18
	Capital employed = Total assets - Current liabilities	141,562		125,272	
k.	**Return on investment**				
	Earnings before interest and tax	32,147	0.12	23,052	0.08
	Total Assets	273,205		272,585	
(ii)	**Total Debt**				
a.	**Borrowings**				
	Non-current	5,939		17,460	
	Current	2,283		7,120	
b.	**Lease liability**				
	Non-current	14,976		11,938	
	Current	1,081		769	
		24,279		**37,287**	

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

49 The Board of Directors have recommended a final dividend of 150 % (₹ 3 per Equity Share) for the financial year 2022-2023 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

50 Other Statutory Information

(i) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies.

(ii) No penalties were imposed by the regulator during the financial year ended 31 March, 2023.

(iii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(v) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(vi) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(ix) The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(xi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(xii) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company.

Notes to Standalone Financial Statements

for the year ended 31 March, 2023

51 There are no subsequent event observed after the reporting period which have material impact on the Company's operation.

52 Figures for the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

CONSOLIDATED

FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
DIXON TECHNOLOGIES (INDIA) LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dixon Technologies (India) Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its joint ventures as at 31 March 2023, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Description of the Key audit matter

Key audit matter	How our audit addressed the key audit matter
Derivative financial instruments The Group has entered into various foreign exchange forward contracts which are used to manage and hedge foreign currency exchange risks. The Group has reported net derivative financial liabilities at fair value as at 31 March 2023. The Group's accounting policy on derivatives is disclosed in note 2.29 and related disclosures are included in note 45. The financial instruments are measured at fair value through profit and loss account.	We assessed the design and implementation and tested the operating effectiveness of the key controls over management's processes for valuation of derivative financial instruments. Our audit procedures included, but were not limited to, the following substantive procedures: • Obtained independent direct confirmations from banks to confirm the outstanding financial instruments to verify existence and rights. • Reviewed the hedging strategy of the Group, economic relationship and hedge ratio between hedged items and hedging instruments to assess the hedge effectiveness of derivative contracts to the extent hedge accounting is applied.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The fair value of the derivative financial instruments is based on year-end quotes received from counterparty banks. In respect of designated hedging relationships, the Group measures the effectiveness thereof using valuation models, such as hypothetical derivative method.

Testing the fair valuation of derivative instruments and effectiveness of hedging relationships, where applicable, are complex exercises and hence required substantial involvement of senior personnel on the audit engagement with relevant experience.

Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.</td><td>• Inspected the underlying agreements and deal confirmations for the derivatives.
• Assessed whether the accounting policy is consistent with the requirements of Ind AS 109 'Financial Instruments'.
• Evaluated the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting.

We have also obtained written representations from management on whether the significant assumptions used in valuation of derivatives are considered reasonable.</td></tr>
<tr><td>Incentive schemes

The Group has operating facilities at various locations and based on the various incentive schemes of the respective state government, the Group is eligible for the incentives. The Group is required to fulfil the conditions mentioned in the notification/circular pertaining to that scheme for eligibility of incentive. The management applies its judgement for the recognition of incentive income. Where in the final determination of the claim accepted by the authorities can be modified/delayed. Given the complexity and magnitude of potential exposures across the company, and the judgement involved, this is a key audit matter</td><td>We have examined the processes and controls relating to recognition and measurement of incentive income. In this connection, we have:
• Reviewed Government schemes and policy relating to incentives of the respective state governments
• Examined registration for the scheme, subsequent departmental orders and regulations issued from time to time.
• Checked the eligibility criteria including investment made by the Group.
• Performed substantive procedures for calculation of eligible amount of incentives and the claims made by the Group.

Reviewed management assessment for likelihood of recoverability</td></tr>
</table>

Information other than the consolidated financial statements and auditor's report thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the directors report, management discussions and analysis (MD&A) and corporate governance report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report,
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read information included in annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors responsibilities relating to other information'.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

a. We did not audit the financial statements of two subsidiaries whose financial statements reflects total assets (after eliminating intra-group transactions) of ₹ 1,59,036 lakhs as at 31 March, 2023, total revenue (after eliminating intra-group transactions) of ₹ 4,66,042 Lakhs year ended 31 March, 2023, net profit after tax of ₹ 3,679 lakhs for year ended 31 March, 2023 and total comprehensive income of ₹ 3,679 lakhs for year ended 31 March, 2023 and net cash inflows of ₹ 11,836 lakhs for the year ended 31 March, 2023, as considered in the Consolidated Financial Results. These financial statements of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such auditors.

Our opinion on the consolidated financial statements above, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.

Report on other legal and regulatory requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the audit report issued by us for the Company and based on our consideration of the audit reports issued by respective auditors of the six subsidiaries and three joint ventures included in consolidated financial statements, we report that there are no qualifications or adverse remarks in these reports.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), and the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act,

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and joint ventures incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in Annexure A.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements of the subsidiaries, the remuneration paid by the Holding Company and its subsidiaries and joint venture to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note 40 to the consolidated financial statements.

      ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures.

      iv. a) The respective managements of the Holding Company and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries and joint ventures to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective managements of the Holding Company and its subsidiaries, and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries or joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The final dividend paid during the year and proposed final dividend for the year by Holding Company is in compliance with Section 123 of the Act

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India, only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIX6493

Place: Noida
Date: 23 May, 2023

Annexure A

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of **Dixon Technologies (India) Limited** (hereinafter referred to as the "Holding Company") and its subsidiary companies and its joint ventures, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and its joint ventures as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company, its subsidiaries and its joint ventures as aforesaid.

Meaning of internal financial controls with reference to financial statements

6. A group's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only

in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries and its joint ventures, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIX6493

Place: Noida
Date: 23 May, 2023

Consolidated Balance Sheet

as at 31 March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	94,249	75,833
(b) Capital work-in-progress	6	11,970	2,201
(c) Intangible assets	7	2,244	1,875
(d) Intangible assets under development	8	–	38
(e) Right of use assets	9	24,840	19,590
(f) Goodwill	10	3,031	3,031
(g) Financial assets			
i. Investments	11	1,415	594
ii. Other financial assets	12	3,483	3,559
(h) Other non-current assets	13	12,784	6,296
		154,016	113,017
Current assets			
(a) Inventories	14	95,787	115,569
(b) Financial assets			
i. Investments	11	3,000	13,502
ii. Trade receivables	15	171,545	135,635
iii. Cash and cash equivalents	16	21,704	17,646
iv. Bank balances other than cash and cash equivalents	17	1,214	588
v. Loans	18	–	44
vi. Other financial assets	12	8,991	15,615
(c) Other current assets	13	11,591	15,917
(d) Current tax assets	19	95	184
		313,927	314,700
TOTAL ASSETS		467,943	427,717
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	1,191	1,187
(b) Other equity	21	127,300	98,491
Equity attributable to owners of the company		128,491	99,678
Non-controlling interest		(28)	55
TOTAL EQUITY		128,463	99,733
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	22	14,523	29,732
ii. Lease liabilities	23	25,283	19,732
(b) Provisions	24	1,726	1,428
(c) Deferred tax liabilities (net)	25	2,240	2,012
(d) Other non-current liabilities	26	1,609	1,491
		45,381	54,395
Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	27	3,739	16,067
ii. Lease liabilites	23	1,764	1,159
iii. Trade payables	28		
– Total outstanding dues of micro and small enterprises		8,709	5,927
– Total outstanding dues to creditors other than micro and small enterprises		236,479	225,447
iv. Other financial liabilities	29	29,142	17,915
(b) Other current liabilities	26	12,142	5,492
(c) Provisions	24	858	729
(d) Current tax liabilities	30	1,266	853
		294,099	273,589
TOTAL LIABILITIES		339,480	327,984
TOTAL EQUITY AND LIABILITIES		467,943	427,717

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
INCOME			
1 Revenue from operations	31	1,219,201	1,069,708
2 Other income	32	561	381
3 Total income (1+2)		**1,219,762**	**1,070,089**
4 EXPENSES			
(a) Cost of materials consumed	33	1,101,517	988,966
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	557	(11,042)
(c) Employee benefits expense	35	25,167	19,779
(d) Finance costs	36	6,057	4,420
(e) Depreciation and amortisation expense	37	11,463	8,395
(f) Other expenses	38	40,685	34,094
Total expenses (4)		**1,185,446**	**1,044,612**
5 Profit before share of profit/(loss) of joint venture, exceptional items and tax (3-4)		34,316	25,477
6 Share of profit/(loss) of joint venture		162	(6)
7 Profit before exceptional items and tax (5-6)		**34,478**	**25,471**
8 Exceptional items		–	–
9 Profit before tax (7-8)		34,478	25,471
10 Tax expense:	39		
(a) Current tax		8,766	6,358
(b) Deferred tax		269	46
(c) Income tax related to earlier years		(65)	34
Tax expense (10)		**8,970**	**6,438**
11 Profit for the year (9-10)		**25,508**	**19,033**
12 Other comprehensive income ('OCI')			
(a) Items that will not be reclassified to profit or loss - re-measurement of defined benefit liabilities		(144)	55
(b) Income tax relating to items that will not be reclassified to profit and loss		16	4
(c) Share of OCI in Joint Ventures (net)		–	–
Other comprehensive income for the year		**(128)**	**59**
13 Total comprehensive income for the year (11+12)		**25,380**	**19,092**
14 Profit for the year attributable to			
(a) Owners of the Company		25,552	19,017
(b) Non-controlling interests		(44)	16
		25,508	**19,033**
15 Other comprehensive income attributable to			
(a) Owners of the Company		(89)	24
(b) Non-controlling interests		(39)	35
		(128)	**59**
16 Total comprehensive income attributable to			
(a) Owners of the Company		25,463	19,041
(b) Non-controlling interests		(83)	51
		25,380	**19,092**
17 Earnings per equity share	43		
(Nominal value of share ₹ 2)			
(a) Basic		42.92	32.31
(b) Diluted		42.62	32.00

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Consolidated Statement of Cash Flows

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Cash flow from operating activities		
Profit before tax	34,316	25,471
Adjustments for :		
Depreciation and amortisation expense	11,463	8,395
Finance costs	6,057	4,420
(Gain) /loss on Exchange fluctuation on borrowings	222	(73)
Provision for impairment of property, plant and equipment	(171)	–
Interest income	(129)	(66)
(Profit)/loss on mutual fund investments	(78)	(58)
Provision for doubtful debts loans and advances written back	(3)	(115)
(Profit)/loss on sale of property, plant and equipment	320	5
Excess liabilities, credit balances, provisions etc. written back	(54)	(3)
Provision for doubtful debts / loans and advances	–	25
Share based payment expenses	1,182	1,072
Bad debts write off	10	10
Operating profit before working capital changes	**53,135**	**39,083**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	19,781	(41,880)
Trade receivables	(35,920)	(26,646)
Other financial assets		
– non current	75	(1,903)
– current	6,624	(14,411)
Other assets		
– current	4,326	1,866
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	13,883	60,951
Provisions		
– non current	299	553
– current	(15)	615
Other liabilities		
– non current	118	1,398
– current	6,649	1,949
Other financial liabilities	11,819	11,099
Cash generated from operating activities	**80,774**	**32,674**
Income tax paid (net)	(8,199)	(5,398)
Net cash generated from/(used in) operating activities	**72,575**	**27,276**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment and intangible assets	(46,120)	(42,064)
Sale proceeds of property, plant and equipment	1,098	325
Investments in mutual funds	(3,659)	(4,516)
Proceeds from sale of investment	13,501	–
Loans given	44	(44)
Repayment of loan given	–	250
Profit/ (loss) on mutual fund investments	78	58
(Increase) / decrease in bank balance not classified as cash and cash equivalent	(626)	(521)
Interest income received	129	66
Net cash generated from/(used in) investing activities	**(35,555)**	**(46,446)**

Consolidated Statement of Cash Flows

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
C. Cash flow from financing activities		
Interest paid including lease rent	(7,373)	(5,665)
Proceeds from issue of share	3,357	6,420
Proceeds from non-curent borrowings	3,336	22,539
Repayment of non-curent borrowings	(19,591)	(802)
Proceeds/(repayment) from current borrowings (net)	(11,504)	8,526
Dividend paid	(1,187)	(586)
Net cash generated from/(used in) financing activities	**(32,962)**	**30,432**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,058**	**11,262**
Cash and cash equivalents at the beginning of the year	17,646	6,384
Cash and cash equivalents at the end of year (refer note 16)	**21,704**	**17,646**

Notes:

i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on 'Statements of Cash Flows'.

ii. Figures in brackets indicate cash outflow.

iii. Figures for the previous year have been regrouped wherever considered necessary.

iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Consolidated Statement of Change in Equity

for the year ended 31 March, 2023

a. Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 1 April, 2021	1,171
Shares issued under employee stock option scheme	16
Balance as at 31 March, 2022	**1,187**
Shares issued under employee stock option scheme	4
Balance as at 31 March, 2023	**1,191**

b. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus					Other Comprehensive Income	Total
	General reserve	Securities premium	Capital redemption reserve	Share option outstanding	Retained earnings	Remeasurement of defined benefit plans	
Balance as at 1 April, 2021	**1,602**	**16,821**	**33**	**872**	**53,345**	**(114)**	**72,559**
Profit for the year	–	–	–	–	19,017	–	19,017
Dividend paid	–	–	–	–	(586)	–	(586)
Share options expenses for the year	–	–	–	1,072	–	–	1,072
Transfer for share option exercised during the year	849	–	–	(849)	–	–	–
Premium on issue of share under employees stock option scheme	–	6,405	–	–	–	–	6,405
Remeasurement Gain/(Loss) on defined benefit plans, net of income tax	–	–	–	–	–	24	24
Transfer to retained earnings	–	–	–	–	9	(9)	–
Balance as at 31 March, 2022	**2,451**	**23,226**	**33**	**1,095**	**71,785**	**(99)**	**98,491**
Profit for the year	–	–	–	–	25,552	–	25,552
Dividend paid	–	–	–	–	(1,189)	–	(1,189)
Share options expenses for the year	–	–	–	1,182	–	–	1,182
Transfer for share option exercised during the year	593	–	–	(593)	–	–	–
Premium on issue of share under employees stock option scheme	–	3,352	–	–	–	–	3,352
Remeasurement Gain/(Loss) on defined benefit plans, net of income tax	–	–	–	–	–	(89)	(89)
Balance as at 31 March, 2023	**3,044**	**26,578**	**33**	**1,684**	**96,148**	**(187)**	**127,300**

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

1 Corporate Information

The Dixon Technologies (India) Limited ('the Company' or 'the Holding Company') is a Company incorporated in India, with its registered office situated at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN is L32101UP1993PLC066581. It was incorporated in 1993 under the provisions of the Companies Act 1956.

The Equity Shares of the Holding Company are listed on BSE Limited and the National Stock Exchange of India Limited.

The Group is primarily involved in manufacturing of consumer durables, home appliances, lighting, mobile phones, electronic goods and parts, wearable and hearable devices and security devices.

2 Significant accounting policies

2.1 Statement of compliance

The Consolidated Financial statements ("CFS") have been prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013.

Accordingly, the Group have prepared these consolidated financial statements, which comprises the Balance Sheet as of March 31, 2023, the Statement of Profit and Loss for the year ended March 31, 2023, the Statement of Cash Flows for the year ended March 31, 2023, and the Statement of Changes in Equity as of that date, along with accounting policies and other explanatory information. These financial statements are collectively referred to as 'Consolidated Financial Statements' or 'financial statements'.

The Board of Directors has approved these consolidated financial statements for issuance on 23 May, 2023

2.2 Basis of preparation of financial statements

The consolidated financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Derivative Financial Instruments at fair value
- Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments)
- Assets held for disposal - measured at the lower of its carrying amount and fair value less cost to sell
- Employee's Defined Benefit Plan measured as per actuarial valuation.
- Employee Stock Option Plans measured at fair value and
- Assets and Liabilities acquired under Business Combination measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the entity and its subsidiaries. Control is achieved when the Group:

i. Has power over the investee

ii. Is exposure or rights to variable return from its involvement with the investee, and

iii. Has exposure or rights to variable return from its involvement with the investee, and

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. Contractual arrangement with the other vote holders of the investee,

ii. Rights arising from other contractual arrangements,

iii. The Group's voting rights and potential voting rights and

iv. Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.

v. Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements, for like transactions and other events in similar circumstances appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group, i.e., year ended on 31 March, 2023.

Consolidation procedure followed is as under:

i. "Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date

ii. The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is subject to adjustment of goodwill and

iii. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Joint ventures

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control investments in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of Current Liabilities.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Business Combination

The Company accounts for its business combinations under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange of control of the acquire. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identified assets acquired and the liabilities assumed are recognised at their fair value, except that:

i. Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee benefits respectively;

ii. liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and

iii. assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets held for sale and discontinued operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identified assets acquired and the liabilities assumed.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for that purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in Other Comprehensive Income and accumulates the same in equity as capital reserve. This gain is attributable to the acquirer. If there does not exist clear evidence of the underlying assets for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of entity's net assets in the event of liquidation may be initially measured either at fair value or at non-controlling interests' proportionate share of recognised amounts of the acquiree's identified net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of theconsideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as an asset or a liability is measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted within equity

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value, and the resulting gain, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is complete by end of the reporting period in which combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provision amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

After initial recognition, goodwill arising on an acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment losses, if any

For the purposes of impairment testing, goodwill is allocated to each of the Group's cashgenerating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

2.5 Functional and presentation currency

The consolidated financial statements have been presented in the Indian Rupees (₹), which is also the functional currency of the Group. All financial information presented in ₹ has been rounded off to the nearest lakh, unless stated otherwise.

2.6 Use of estimates and judgements

The preparation of consolidated financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include:

– Determination of useful life of property, plant and equipment and intangible assets

– Measurement of lease liabilities and right of use assets

– Measurement of defined benefit obligations

– Recognition and measurement of provisions and contingencies

– Recognition of deferred tax assets / liabilities

– Provision for warranty claims

– Measurement of contingent liabilities

2.7 Current vs. non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification.

Assets:

An asset is classified as current if it meets any of the following criteria:

– It is expected to be realized or intended for sale or consumption in the Group's normal operating cycle.

– It is primarily held for trading purposes.

– It is expected to be realized within 12 months after the reporting date.

– It is cash or cash equivalent, unless there are restrictions on its exchange or use to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities:

A liability is classified as current if it meets any of the following criteria:

– It is expected to be settled in the Company's normal operating cycle.

– It is primarily held for trading purposes.

– It is due to be settled within 12 months after the reporting date.

– The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

The terms of a liability that could potentially be settled by issuing equity instruments, at the option of the counterparty, do not affect its classification.

Deferred tax assets and liabilities are classified as non-current only.

2.8 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

Depreciation and useful life

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Asset	Useful life
Plant and machinery	2-15 years
Furniture and fixtures	3-10 years
Vehicles	8-10 years
Office equipment	3-5 years
Computers	3-6 years

The Group conducts an annual review of the residual value, useful lives, and depreciation method of its assets. If there are differences between the current expectations and previous estimates, the change is accounted for as a prospective change in accounting estimate.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. If the next overhaul is undertaken earlier than the previously estimated life of the economic benefit, the carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss.

If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

Derecognition

The Group derecognized property, plant and equipment when it is disposed of or when there are no future economic benefits expected from its continued use. The gain or loss resulting from the disposal or retirement of a property, plant, and equipment item is calculated as the difference between the sales proceeds and the carrying amount of the asset. This gain or loss is recognized in the Statement of Profit and Loss.

Capital Work in Progress:

Capital work-in-progress is recorded at its cost, which encompasses expenses incurred during the construction period. This cost also includes interest on the amount borrowed for the acquisition of qualifying assets and other expenses related to project implementation, to the extent that these expenses pertain to the period before the commencement of commercial production.

2.9 Investment properties

Investment property refers to land or buildings, or a combination of both, held for the purpose of generating rental income or for capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

Upon initial recognition, investment property is measured at cost. Subsequently, it is presented in the balance sheet at cost, less any accumulated depreciation and impairment losses, if any.

Any subsequent expenditure on investment property is recognized in the carrying amount of the asset only when it is probable that future economic benefits associated with the expenditure will flow to the Group,

Any gain or loss on the disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss.

Buildings included in investment property are depreciated on a straight-line basis at a rate based on their useful life as provided under Schedule II of "the Act".

Investment properties are derecognized when they are sold or permanently withdrawn from use, and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

2.10 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed annually, and any changes in estimates are applied prospectively. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

In the case of intangible assets acquired in a business combination, they are measured at their fair value as of the acquisition date.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

Internally generated intangible assets are recognized as assets in the books only when following criteria are met:

– It is technically feasible to complete the asset so that it will be available for use.

– Management intends to complete the asset and use or sell it.

– There is an ability to use or sell the asset.

– It can be demonstrated how the asset will generate probable future economic benefits.

– Adequate technical, financial, and other resources to complete the development and use or sell the asset are available.

– The expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

Research and development costs

Research costs are recognized as an expense when incurred. Development expenditures related to a specific project are recognized as an intangible asset when certain criteria are met. These criteria include demonstrating the technical feasibility of completing the asset, the Group's intention and ability to complete and use or sell the asset, the expected generation of future economic benefits, the availability of resources to complete the asset and the ability to reliably measure the expenditure during development.

Once recognized as an asset, the development expenditure is initially carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use, and it is amortized over the expected period of future benefit.

Amortization expense is recognized in the statement of profit and loss unless the expenditure is included in the carrying value of another asset. The asset is tested for impairment annually during the development period.

Useful life and amortisation

Amortization is recognized in a straight-line manner over the useful lives of the assets, starting from the date of capitalization. The useful lives of the assets is determined as follows:

Category	Useful life
Computer software	3-5 years

The estimated useful life of intangible assets is reviewed at the end of each reporting period, and any changes in estimate are accounted for prospectively.

Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount.

Intangible assets under development

Intangible assets under development are recorded at their cost, which encompasses expenses related to the development of intangible assets until they are ready for use.

2.11 Impairment

At the end of each reporting year, the Group assesses whether there are any indications of impairment for its tangible and intangible assets. If there is any indication, the Group estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it's not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

Goodwill and intangible assets without a definite useful life are not amortized and are tested for impairment at least annually. If there are events or changes in circumstances indicating possible impairment, they are tested for impairment again.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

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Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. “

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on using ‘First in First Out’ method (FIFO). Cost includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on FIFO basis.

Waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for. “

2.13 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale when their carrying amounts will be primarily recovered through a sale transaction rather than through continuing use. The classification is made only when two conditions are met:

– The sale is highly probable, and

– The asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets.

For classification as held for sale, management must be committed to the sale, which is expected to be completed within one year from the date of classification. Actions taken to complete the sale plan should indicate that significant changes are unlikely, and the plan will not be withdrawn.

Non-current assets held for sale are presented separately from other assets in the balance sheet. “

Upon classification, non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. If non-current assets subject to depreciation are classified as held for sale, they are no longer depreciated or amortized.

Discontinued operation:

A discontinued operation refers to a component of the entity that has been disposed of or is classified as held for sale. It represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively for resale.

The results of discontinued operations are presented separately in the statement of profit and loss, distinguishing them from continuing operations.

2.14 Government grants

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss.

2.15 Revenue recognition

Sale of goods:

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue is measured at the amount of transaction price net of outgoing taxes on sales. The transaction price of goods sold is net of variable considerations on account of discounts, incentives, volume rebates, etc. Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the product and there is no unfulfilled obligation that could affect the customer’s acceptance of the products.

The Group evaluates the value of the consideration received or receivable, taking into account the estimates of any potential returns or allowances. Any changes in these estimates are recognized when they become evident.

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Sale of services:

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Group has an enforceable right to payment for services rendered.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export incentives and subsidies

Export incentives and subsidies are recognized when following conditions are met:

- There is reasonable assurance that the Group will comply with the conditions attached to the incentives or subsidies.
- It is highly probable that the Group will receive the incentives or subsidies.

Once these conditions are satisfied, the export incentives and subsidies are recognized as other operating revenue. This recognition reflects the economic benefits expected to be realized by the Group. "

Claims:

Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

2.16 Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of identified asset;
- the Group has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Group has the right to direct the use of the asset.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount

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of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months and for low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At a lessor:

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.17 Foreign currency transactions

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit and loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit and loss.

Exchange differences on monetary items are recognised in Consolidated Statement of Profit and Loss in the year in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.18 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current tax is based on taxable profit for the year. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consoldiated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to

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offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. “

Minimum Alternate Tax (‘MAT’)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement.

2.19 Borrowing cost

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. “

2.20 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Warranty provision

Provisions for warranty-related costs are recognised as an expense in the Statement of Profit and Loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.21 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

Short-term employee benefits

Employee benefits such as wages, salaries, bonus, ex-gratia, short-term compensated absences, performance linked rewards, including non-monetary benefits that are expected to be settled within 12 months are classified as short-term employee benefits and are recognised in the period in which the employee renders services and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

Contribution payable to the recognised provident fund, employee state insurance, employee pension scheme and other employee social security scheme etc., which are substantially defined contribution plans, is recognised as expense based on the undiscounted amount of obligations of the Group to contribute to the plan.

Defined benefit plan

Defined benefit plans comprising of gratuity and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using

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the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. “

Other long-term employee benefits

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Termination benefits:

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Consolidated Statement of Profit and Loss when incurred.

2.22 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the shares that will eventually vest with corresponding increase in equity. Fair value of the options on the grant date is calculated considering the following:

– Including the impact of market-based performance conditions (e.g. equity share price of an entity) and non-vesting conditions (e.g. holding the shares for the specific period of time)

– Excluding the impact of service and non-market performance conditions (e.g. achieving revenue or profitability target)

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is not remeasured subsequently.

In case of cash-settled, expense towards SARs is charged to the Statement of Profit and Loss on a straight-line basis over the vesting period of the stock options and a corresponding liability is recognised within “Other long-term liabilities. The liability is remeasured at each balance sheet date and changes to the carrying amount of the liability are recognised in the Statement of Profit and Loss.

2.23 Segment

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body (CODM) in the Group to make decisions for performance assessment and resource allocation. The Group has determined that it operates in a single segment due to nature of its operations. Therefore, segment information is not separately presented in these consolidated financial statements.

2.24 Cash flow statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.25 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

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including the treasury shares held by the the Group to satisfy the exercise of the share options by the employees.

2.26 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

2.27 Exceptional items

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Consolidated Financial Statements to understand the impact in a more meaningful manner. Exceptional items are those items of income or expenses which are material and not expected to occur frequently or regularly. Exceptional items are separately disclosed in the Consolidated Statement of profit and loss.

2.28 Fair value measurement

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the consolidated financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

2.29 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Financial assets

Recognition and initial measurement

The Group initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

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All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at -

– Amortised cost; or

– Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

– Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

– Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

– The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

– The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

– Classification: All financial assets are initially measured at fair value, and their classification is determined at the time of acquisition or origination and valued based on the fundamental described in subsequent measurement.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. the Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Dividend on financial assets at FVTPL is recognised when:

– The Group's right to receive the dividends is established,

– It is probable that the economic benefits associated with the dividends will flow to the entity,

– The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire,

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or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines a the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees an points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period.

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Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'. A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i. **Derivative financial instruments classified as fair value through profit or loss**

   This category includes derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

   Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

ii. Derivative financial instruments designated for hedge accounting

The Group may designate certain derivatives as either:

– Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)

– Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow Hedges), or

– Hedges of a net investment in a foreign operation (net investment hedges).

iii. Fair value hedge

When a derivative is designated as fair value hedge, changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

iv. Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the profit or loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the profit or loss.

v. Embedded derivatives

Derivatives embedded in a host contract being financial asset within the scope of Ind AS109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Cash and cash equivalents

Cash and cash equivalents, comprise of cash in hand, balances held with banks and financial institutions, and short-term investments with maturities of three months or less from the date of acquisition. These cash and cash equivalents are measured at their fair value as of the balance sheet date.

Cash and cash equivalent are subject to insignificant risk of changes in value.

In the balance sheet, any bank overdrafts, if applicable, are included as a component of borrowings.

If there are any restricted cash balances, they are included in the cash and cash equivalents category if the restriction is for a period not exceeding three months. However, if the restriction extends beyond three months, the restricted cash is classified as non-current assets.

Interest earned on cash and cash equivalents is recognized as income in the statement of profit and loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Equity investments

Equity instruments are measured at their fair value, and any changes in fair value are recognized in statement of profit and loss.

Financial liabilities

- Recognition and initial measurement: Financial liabilities are recognized at the date when the Group becomes a party to the contractual provisions of the instrument. They are initially measured at fair value, which is normally the consideration received.

- Classification: Financial liabilities are initially measured at fair value, and their classification is determined at the time of acquisition or origination.

- Subsequent Measurement: Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Under this method, the carrying amount of the liability is increased or decreased to reflect the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial liability.

- Derecognition: A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the liability at the time of derecognition and the consideration paid or received is recognized as a gain or loss in profit or loss.

- Impairment: Financial liabilities are assessed for impairment when there is objective evidence that the Group will not be able to repay the obligation in full. Impairment losses are recognized in profit or loss.

- Hedge Accounting: When hedge accounting is applied, the Group documents the relationship between the hedging instrument and the hedged item and measures the effectiveness of the hedge.

- Forward Contracts: Forward contracts are measured at fair value, and any changes in fair value are recognized in profit or loss. If a forward contract is designated as a hedging instrument, the Group documents the relationship between the hedging instrument and the hedged item and measures the effectiveness of the hedge.

Classification of instrument as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The classification is based on the rights and obligations attached to the instrument and is determined at the time of issuance.

Equity instruments

Equity instruments refer to any contract that represents a residual interest in the assets of an entity after deducting its liabilities. The equity instruments issued by the Group are recognized at the proceeds received, net of directly attributable transaction costs. Any incremental costs directly attributable to the issue of equity shares are recognized as a deduction from equity, net of any tax effects. the Group does not recognize any dividends as a liability until they are approved by the shareholders at the Annual General Meeting (AGM) or the Board of Directors declares them, whichever occurs first.

Offsetting financial instruments

The Group offsets financial assets and liabilities and reports the net amount in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The right to offset must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency, or bankruptcy of the counterparty, in accordance with Ind AS 109, Financial Instruments.

Derivative Financial instruments:

The Group uses derivative financial instruments, such as foreign exchange forward and options contracts, to hedge the risk of changes in exchange rates on foreign currency exposures. These contracts are generally entered into with banks as counterparties, and the Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately. The fair value of derivatives is determined using valuation techniques such as forward exchange rates, interest rates and implied volatilities at the balance sheet date. Any changes in the fair

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

value of derivatives are recognised in the Statement of Profit and Loss for the period in which they arise, except for the portion of the change in fair value of a cash flow hedge that is determined to be an effective hedge, which is recognised in Other Comprehensive Income. The Group assesses the effectiveness of its cash flow hedges on an ongoing basis.

2.30 Research and development costs

Research costs are expensed when incurred. However, development expenditures related to individual projects are recognized as intangible assets if the Group can demonstrate technical feasibility, its intention and ability to complete and use or sell the asset, the future economic benefits it will generate, the availability of resources, and the ability to measure expenditure reliably.

Once development expenditure is recognized as an asset, it is carried at cost less any accumulated amortisation and impairment losses. Amortisation starts when development is complete, and the asset is available for use, and it is recognized over the expected future benefit period.

Amortisation expense is recorded in the statement of profit and loss, unless such expenditure is included in the carrying value of another asset. During the development period, the asset is assessed annually for impairment.

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies instead of their significant accounting policies. Accounting policy information is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have a significant impact on its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 has been narrowed so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, on its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments help entities distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have a significant impact on its consolidated financial statements.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

a. Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

b. Useful lives of depreciable/amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

c. Classification of Leases: The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

d. Employee benefit: Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Group considers

Notes to Consolidated Financial Statements

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that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

e. Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.

f. Impairment of financial assets: The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Fair value measurement of Financial Instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility.

h. Warranty : Warranty Provision is measured at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable, and the amount can be reasonably estimated.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

5 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
	(see note 'i' below)							
At cost or deemed cost								
Balance as at 1 April, 2021	1,194	9,296	35,486	2,560	953	1,283	1,212	51,984
Additions	5,443	3,186	31,572	894	239	647	1,042	43,023
Disposals	–	4	1,334	8	93	6	7	1,452
Balance as at 31 March, 2022	**6,637**	**12,478**	**65,724**	**3,446**	**1,099**	**1,924**	**2,247**	**93,555**
Additions	6,561	1,952	18,079	239	447	359	828	28,465
Disposals	–	282	1,372	154	231	75	110	2,224
Balance as at 31 March, 2023	**13,198**	**14,148**	**82,431**	**3,531**	**1,315**	**2,208**	**2,965**	**119,796**
Accumulated depreciation and impairment								
i. Accumulated depreciation								
Balance as at 1 April, 2021	40	1,077	7,572	711	296	598	594	10,888
Charge for the year	8	411	5,058	305	123	350	414	6,669
Disposals	–	4	248	4	82	3	2	343
Balance as at 31 March, 2022	**48**	**1,484**	**12,382**	**1,012**	**337**	**945**	**1,006**	**17,214**
Charge for the year	8	557	6,785	399	138	278	635	8,800
Disposals	–	58	355	100	137	61	93	804
Balance as at 31 March, 2023	**56**	**1,983**	**18,812**	**1,311**	**338**	**1,162**	**1,548**	**25,210**
ii. Impairment losses								
Balance as at 1 April, 2021	–	–	508	–	–	–	–	508
Additions	–	–	–	–	–	–	–	–
Written back	–	–	–	–	–	–	–	–
Balance as at 31 March, 2022	**–**	**–**	**508**	**–**	**–**	**–**	**–**	**508**
Additions	–	–	–	–	–	–	–	–
Written back	–	–	171	–	–	–	–	171
Balance as at 31 March, 2023	**–**	**–**	**337**	**–**	**–**	**–**	**–**	**337**
Net carrying amount								
As at 31 March, 2022	**6,589**	**10,994**	**52,834**	**2,434**	**762**	**979**	**1,241**	**75,833**
As at 31 March, 2023	**13,142**	**12,165**	**63,282**	**2,220**	**977**	**1,046**	**1,417**	**94,249**

Notes:

i. Land includes, freehold land located at Plot no C 2/1, Selaqui, Dehradun, Uttarakhand, which was purchased through auction from a Bank during the financial year 2016-17. The aforesaid land is registered in the name of the company. A party has initiated legal case disputing ownership of the said land at various courts/ tribunals, including Hon'ble Debt Recovery Tribunal at Lucknow and Dehradun ('DRT') and Hon'ble Debt Recovery Appellate Tribunal, Allahabad ('DRAT') and Hon'ble Nainital High Court. The matter has been decided by DRAT in the favour of the Holding Company. The Holding Company, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250 lakh and capital assets created thereon is having the gross block of ₹ 1,686 lakh as at 31 March, 2023.

ii For information of the assets pledged as security against borrowings, refer note 22, 27 and 41.

iii. There are no proceedings against the Group, that have been initiated or pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

6 Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	2,201	7,239
Additions during the year	11,147	22,271
Capitalised during the year	1,378	27,309
Closing Balance	**11,970**	**2,201**

Notes:

a) **Ageing of capital work in progress**

As at 31 March,2023

(₹ in Lakhs)

Particulars	Amount in capital work in progress for				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	11,147	823	–	–	11,970

As at 31 March,2022

(₹ in Lakhs)

Particulars	Amount in capital work in progress for				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	1,852	349	–	–	2,201

b) Projects in progress comprises projects of Semi Automatic Washing Machine, Led TV, Led Lighting, Mobile, Refrigerator and others.

c) There is no capital project in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

d) For disclosure of contractual commitments for the acquisition of property, plant and equipment, refer note 40.

7 Intangible assets

(₹ in Lakhs)

Particulars	Customer Contracts	Computer Software	Total
As at cost or deemed cost			
Balance as at 01 April, 2021	–	708	708
Additions	1,483	114	1,597
Disposals	–	–	
Balance as at 31 March, 2022	**1,483**	**822**	**2,305**
Additions	–	817	817
Disposals	–	12	12
Balance as at 31 March, 2023	**1,483**	**1,627**	**3,110**
Accumulated amortisation			
Balance as at 01 April, 2021	–	308	308
Charge for the year	–	122	122
Disposals	–	–	–
Balance as at 31 March, 2022	**–**	**430**	**430**
Charge for the Year	296	152	448
Disposals	–	12	12
Balance as at 31 March, 2023	**296**	**570**	**866**
Net carrying amount			
As at 31 March, 2022	**1,483**	**392**	**1,875**
As at 31 March, 2023	**1,187**	**1,057**	**2,244**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

8 Intangible assets under development

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	38	–
Additions	–	38
Capitalised during the year	38	–
Closing Balance	**–**	**38**

Notes:

Ageing of Intangible assets under development

As at 31 March, 2023

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	–	–	–	–	–

As at 31 March,2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	38	–	–	–	38

9 Right -of-use assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Carrying value of right of use assets		
Land and buildings	24,840	19,590
	24,840	**19,590**
Opening balance	19,590	13,218
Additions during the year	7,541	8,020
	27,131	**21,238**
Depreciation during the year		
– Capital work in progress	81	–
– Statement of profit and loss account	2,215	1,604
Modification during the year	(5)	44
Closing balance	**24,840**	**19,590**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

10 Goodwill

(₹ in Lakhs)

Particulars	Goodwill
Net carrying value	
Balance as at 01 April, 2021	817
Movement during the year though business transfer agreement (see note below)	2,214
Balance as at 31 March, 2022	**3,031**
Movement during the year	–
Balance as at 31 March, 2023	**3,031**

Note:

(i) Goodwill on account of acquisitions

During the previous year ended 31 March, 2022, the subsidiary company " Dixon Electro Appliances Private Limited" had purchased the business by entering into a Business Transfer Agreement(BTA) with Beetel Teletech Limited on a going concern basis by way of slump sale with effect from the closing of business hours of 21 December, 2021 for a total consideration of ₹ 4,080, lakhs.(Refer note 56).

(ii) Impairment of Goodwill with indefinite useful life

The subsidiary Dixon Electro Appliances Private Limited has single Cash Generating Unit (CGU).The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 9.28% per annum.

The management has assessed the company's goodwill at the end of the year and found no indication of impairment as of 31 March, 2023.

11 Investments

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
A. Non-current investments				
i. Investment in equity instrument				
(Unquoted, at cost)				
a. In jointly controlled entities				
Rexxam Dixon Electronics Private Limited (Formerly known as Dixon Devices Private Limited)"	6,000,000	829	6,000,000	594
Equity shares of ₹ 10 Each				
Califonix Tech And Manufacturing Private Limited	5,050,000	432	–	–
Equity shares of ₹ 10 Each				
		1,261		**594**
ii. Investment in equity instrument				
(Unquoted)				
(fair value through profit and loss account)				
Amplus RJ Solar Private Limited	1,536,800	154	–	–
Equity shares of ₹ 10 Each				
Total		**1,415**		**594**
Aggregate carrying value of unquoted investments		1,415		594
Aggregate amount of impairment in the value of investments		–		–

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

11 Investments (Contd..)

Notes:

I. No investment is pledged as security by the Company.

II. Information of jointly controlled companies

(₹ in Lakhs)

Name of the Company	Principal Activity	Place of incorporation	Place of business	Percentage of ownership interest	
				As at 31 March, 2023	As at 31 March, 2022
i. Rexxam Dixon Electronics Private Limited	Manufacturing	Noida, India	Noida, India	40%	40%
ii. Califonix Tech and Manufacturing Private Limited*	Manufacturing	Noida, India	Noida, India	50%	–
iii. AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh	50%	50%

* incorporated during the year

III. Operation details of jointly controlled companies

i. Rexxam Dixon Electronics Private Limited (Formerly known as Dixon Devices Private Limited)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	9,547	–
Expenses	9,233	6

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets	11,417	612
Liabilities	10,587	18
Contingent liabilities	90	–
Commitments (net of advance)	2	–

a) The operations are disclosed to the extent of the share of the Company.

b) The information disclosed above is based on the latest audited financial statement of the company.

ii. Califonix Tech and Manufacturing Private Limited

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	–	–
Expenses	73	–

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets	1,826	–
Liabilities	1,394	–
Contingent liabilities	–	–
Commitments (net of advance)	336	–

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

11 Investments (Contd..)

iii. AIL Dixon Technologies Private Limited

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	49,244	39,947
Expenses	48,008	38,674

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets	30,993	30,243
Liabilities	27,712	27,628
Contingent liabilities	1,568	500
Commitments (net of advance)	10	–

Notes

a) The operations are disclosed to the extent of the share of the Company.

b) The information disclosed above is based on the latest audited financial statement of the company.

B. Current investments

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Units	Amount	No. of Units	Amount
i. Investment in mutual fund				
(Quoted, carried at fair value through profit and loss)				
– SBI Overnight Fund-Regular Growth	83,154	3,000	102,198	3,501
– Axis Overnight Fund-Regular Growth	–	–	178,291	2,000
– DSP Overnight Fund-Regular Growth	–	–	88,089	1,000
– HDFC Overnight Fund	–	–	111,625	3,501
– UTI Overnight Fund-Regular Plan Growth	–	–	34,682	1,000
– Kotak Overnight Fund Growth (Regular Plan)	–	–	88,434	1,000
– ICICI Prudential Overnight Fund Growth	–	–	1,313,630	1,500
	83,154	**3,000**	**1,916,949**	**13,502**

Measurement of Investments:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investment carried at amortised cost	–	–
Investment carried at fair value through profit and loss "FVTPL"	3,000	13,502
Investment carried at fair value through other comprehensive income "FVTOCI"	–	–
Aggregate carrying value of quoted investments	**3,000**	**13,502**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

12 Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
I. Non-current		
a. Amount paid under protest to government authorities	1,771	1,031
b. Security deposits	1,583	2,091
c. Bank deposits with more than 12 months maturity	129	437
	3,483	**3,559**
II. Current		
a. Security deposits	6	7
b. Advances to employees	220	100
c. Incentive and refund receivables from government authorities	8,714	15,403
d. Other receivables	51	105
	8,991	**15,615**

13 Other assets

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
I. Non-current		
a. Capital advances	12,784	6,296
b. Other advances considered doubtful	67	70
Less : Provision for doubtful advances	(67)	(70)
	–	–
	12,784	**6,296**
II. Current		
a. Balance with government authorities (see note below)	4,748	12,361
b. Advances to suppliers	5,985	2,800
c. Prepaid expenses	858	756
	11,591	**15,917**

Note:

Balance with government authorities includes goods and service tax, custom duty etc.

14 Inventories

(Valued at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Raw materials and packing materials etc.		
– in stock	66,309	83,224
– in transit	5,196	7,506
b. Work-in-progress	13,481	14,996
c. Finished goods	10,801	9,843
	95,787	**115,569**

Note: For details of inventories pledged as security for borrowings, refer note 41

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

15 Trade receivables

(unsecured)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. From related parties (see note 50)	5,779	79
b. From others	1,65,815	1,35,610
	171,594	**135,689**
Less: Provision for credit impaired	49	54
	171,545	**135,635**

Note: For details of trade receivables pledged as security for borrowings, see note 41

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Secured, considered good	–	–
Unsecured, considered good	171,545	135,635
Trade Receivables which have significant increase in credit risk	–	–
Trade Receivables - credit impaired	49	54
	171,594	**135,689**
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	–	–
Unsecured, considered good	–	–
Trade Receivables which have significant increase in credit risk	–	–
Trade Receivables - credit impaired	49	54
	49	**54**
Trade receivables (net)	**171,545**	**135,635**

Ageing for trade receivables - billed – current outstanding as at 31 March, 2023 is as follows:

(₹ in Lakhs)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 Month	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade Receivables– considered good	125,104	45,078	1,309	54	–	–	171,545
Undisputed Trade Receivables– which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables– credit impaired	–	–	–	34	–	15	49
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	125,104	**45,078**	**1,309**	**88**	**–**	**15**	**171,594**

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

15 Trade receivables (Contd..)

Ageing for trade receivables - billed – current outstanding as at 31 March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 Month	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade Receivables– considered good	99,142	36,396	97	–	–	–	135,635
Undisputed Trade Receivables– which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables– credit impaired	–	–	27	3	7	17	54
Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables– credit impaired	–	–	–	–	–	–	–
	99,142	**36,396**	**124**	**3**	**7**	**17**	**135,689**

Notes:

i. The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.

ii. Trade receivables ageing have been disclosed on due basis.

iii. There is no unbilled trade receivables at the year end.

16 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Balances with banks		
– in current accounts	21,412	17,595
– in escrow accounts	248	29
b. Cash on hand	44	22
	21,704	**17,646**

17 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Margin money deposits (see note below)	1,213	588
b. Balance in earmarked account -unpaid dividend accounts	1	–
	1,214	**588**

Note

Margin Money deposit balances are more than 3 month but less than 12 months. Margin money is held against letter of credit and bank guarantee

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

18 Loans

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current		
(Unsecured, considered good)		
a. Loan		
– to joint ventures (see note 50)	–	44
	–	**44**

Notes

i. Disclosures of inter corporate loans as required by section 186(4) of the Companies Act, 2013 are as follows :

(₹ in Lakhs)

Particulars	Rate of interest	Due date	Secured/ Unsecured	As at 31 March, 2023	As at 31 March, 2022
(For setting up new business facility)					
Rexxam Dixon Electronics Private Limited	6.65%	Repayable on demand	Unsecured	–	44
				–	**44**

ii. Disclosure of loans and advances in the nature of loans given to joint venture and other companies in which directors are interested as required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

(₹ in Lakhs)

Particulars	Amount outstanding	
	As at 31 March, 2023	As at 31 March, 2022
Loans repayable on demand		
i. Rexxam Dixon Electronics Private Limited (Maximum amount outstanding during the year ₹ 44 Lakh (Previous year ₹ 44 lakh))	–	44
	–	**44**

19 Current tax assets

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Advance income tax (net)	95	184
	95	**184**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

20 Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares of ₹ 2 each	130,000,000	2,600	130,000,000	2,600
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each fully paid up	59,560,165	1,191	59,341,935	1,187
	59,560,165	**1,191**	**59,341,935**	**1,187**
a. Reconciliation of equity shares				
Balance as at the beginning of the year	59,341,935	1,187	58,569,355	1,171
Share issued under employees stock option scheme	218,230	4	772,580	16
Balance as at the end of the year	**59,560,165**	**1,191**	**59,341,935**	**1,187**

Note

Pursuant to the approval of the shareholders accorded on 7 March, 2021 vide postal ballot conducted by the Holding Company, each equity share of face value of ₹ 10 per share was sub-divided into five equity shares of face value of ₹ 2 per share, with effect from 19 March, 2021.

b. Terms and rights of equity shareholders

The Holding Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the annual general meeting except in the case of interim dividend.

c. Details of shares held by share holders holding more than 5% of the aggregate shares in the Holding Company.

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No of shares	% holding	No of shares	% holding
Mr. Sunil Vachani	15,747,644	26.44%	15,749,644	26.54%
Mrs. Kamla Vachani	4,340,244	7.29%	4,431,222	7.47%
Mrs. Gayatri Vachani	3,887,581	6.53%	3,937,577	6.64%
Life Insurance Corporation of India	3,409,395	5.72%	–	–
	27,384,864	**45.98%**	**24,118,443**	**40.65%**

d Details of share held by Promoters*

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022		% change during the year
	No of shares	Amount	No of shares	Amount	
Promotor's Name					
Mr. Sunil Vachani					
No's of shares	15,747,644	315	15,749,644	315	
% holding	26.44%	26.44%	26.54%	26.54%	–0.10%
Promotor's Group					
Mrs. Gayatri Vachani					
No's of shares	3,887,581	78	3,937,577	79	
% holding	6.53%	6.53%	6.64%	6.64%	–0.11%

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

20 Equity share capital (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022		% change during the year
	No of shares	Amount	No of shares	Amount	
Mr. Suresh Vaswani					
No's of shares	636,277	13	658,777	13	
% holding	1.07%	1.07%	1.11%	1.11%	-0.04%
Mr. Kamal Vachani					
No's of shares #	3,802	–	3,502	–	
% holding	0.01%	0.01%	0.01%	0.01%	–
Mr. Ravi Vachani					
No's of shares ##	7,527	–	7,269	–	
% holding	0.01%	0.01%	0.01%	0.01%	–

* As defind under the Companies Act, 2013, but does not include person considered as Promoter group as per Regulations 2 (1) (zb) of SEBI ICDR Regulations.

share held of ₹ 0.08 lakh (previous year ₹ 0.07 lakh)

share held of ₹ 0.15 lakh (previous year ₹ 0.15 lakh)

e. Summary of dividend and proposed dividend

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2022: ₹ 2 per share (previous year ₹ 1 per share)	1,189	586
	1,189	**586**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2023: ₹ 3 per share (previous year ₹ 2 per share)	1,787	1,189
	1,787	**1,189**

The Board of Directors have recommended a final dividend of 150 % (₹ 3 per Equity Share) for the financial year 2022-2023 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Holding Company had allotted 6,277,337 fully paid up shares of face value ₹ 10 each during the year ended 31 March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary General Meeting of the Company held on 20th September, 2016. The Company had allotted 4 bonus shares for every 3 shares held.

g. Shares held by Holding company

The company does not have any Holding company.

h. Shares reserved for issue under employee stock option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 46. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the group on or before the vesting date.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

21 A. Other equity

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. General reserve	3,044	2,451
b. Securities premium	26,578	23,226
c. Capital redemption reserve	33	33
d. Other comprehensive income	(187)	(99)
e. Share option outstanding account	1,684	1,095
f. Retained earnings	96,148	71,785
	127,300	**98,491**
a. General reserve		
Opening balance	2,451	1,602
Transfer for share option exercised during the year	593	849
Closing balance	**3,044**	**2,451**
b. Securities premium		
Opening balance	23,226	16,821
Add: Premium on issue of share under employees stock option scheme (see note 46)	3,352	6,405
Closing balance	**26,578**	**23,226**
c. Capital redemption reserve		
Opening balance	33	33
Closing balance	**33**	**33**
d. Other comprehensive income		
Remeasurement of defined benefit plans		
Opening balance	(99)	(114)
Transfer to Retained Earnings	–	(9)
Movement during the year	(89)	24
Closing balance	**(187)**	**(99)**
e. Share option outstanding account		
Opening balance	1,095	872
Add : Granted/ vested during the year	1,182	1,072
Less : Exercised during the year (Refer note 46)	593	849
Closing balance	**1,684**	**1,095**
f. Retained earnings		
Opening balance	71,785	53,345
Add : Profit for the year	25,552	19,017
Add : Transfer from Other Comprehensive Income	–	9
Less: Appropriation		
– Final dividend on equity shares for the year ended 31 March, 2022 (₹2 per share)	1,189	–
– Final dividend on equity shares for the year ended 31 March, 2021 (₹1 per share)	–	586
Closing balance	**96,148**	**71,785**

Notes:

a. General reserve:

The Group had transferred a part of the net profit of the Group to general reserve in earlier years. It also includes amount transferred to general reserve for share option exercised during the year and earlier years.

b. Share premium:

The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium. It can be used for issue of bonus shares, write- off of equity related expenses etc.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

21 A. Other equity (Contd..)

c. Capital Redemption reserve:

The reserve has been created by buy back of equity shares and fully convertible cumulative participatory preference shares

d. Other comprehensive income:

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

e. Share option outstanding account:

The above reserve relates to share options granted by the Group to its employees under its employee share option plan.

f. Retained earnings:

Retained earnings are profits of the Group earned till date less transferred to other reserves and dividend paid during the year.

21 B. Non-controlling interest

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-Controlling interest	(28)	55
	(28)	**55**
Opening balance	55	–
Transferred from Statement of Profit and Loss	(83)	51
Others	–	4
Closing Balance	**(28)**	**55**

22 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Current		
i. From banks		
(Secured)		
a. Term Loan		
– HDFC Bank Limited (see note 'I below)	14,276	21,622
– Qatar National Bank (see note 'II' below)	–	5,004
– HSBC Bank Limited (see note 'III' below)	–	5,079
– Indusind Bank Limited (see note 'IV' below)	1,952	–
– Vehicle Loans (see note 'V' below)	–	48
	16,228	**31,753**
ii. From others		
(Secured)		
– Tata Capital Housing Finance Limited (see note 'VI' below)	120	137
– Vehicle Loans (see note 'V' below)	–	2
	120	**139**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

22 Borrowings (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
iii. Deferred payment liabilities		
(Secured)		
– Noida Authority (see note 'VII' below)	–	1,873
– Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) (see note 'VIII' below)	502	–
	502	**1,873**
iv. Preference shares -from related parties		
– Non-cumulative, compulsorily redeemable preference shares (see note 'IX')	882	–
	882	**–**
Total	**17,732**	**33,765**
Less: Current maturities of long term borrowings (refer note 27)	3,209	4,033
	14,523	**29,732**

Notes:

I a. **Term loan from HDFC Bank Limited**

Particulars		Term loan-1	Term loan-2	Term loan-3	Term loan-4	Term loan-5
A. Outstanding balance current year		1,382	5,700	–	3,781	3,413
Outstanding balance previous year		3,577	6,000	3,389	5,156	3,500
B. Rate of Interest	%	6 month MCLR+0.60%	Repo Rate +1.06% with quarterly reset	Repo Rate +1.06% with quarterly reset	Rate of Interest is 6 months MCLR plus 60 BPS.	Rate of Interest is Linked with 3 Month Repo.
C. Terms of repayment		Repayable in 5 years including one year of moratorium followed by 20%, 20%, 30%, and 30% repayment in 2nd, 3rd, 4th and 5th year respectively	Repayable in 6.5 years including one year of moratorium followed by 10%, 15%, 15%,30%,20% and 10% repayment in 2nd, 3rd, 4th ,5th,6th and 7th year respectively.	Repayable in 6 years including one and half year of moratorium followed by 10%, 15%, 15%, 30% and 30% repayment in 2nd, 3rd, 4th,5th and 6th year respectively.	Repayable in 16 equal quarterly installment starting from March, 2022 to December, 2025.	Repayable in 22 quarterly installment starting from March, 2023 to June, 2028
D Swap agreement '(Rupee loan swapped with USD loan)	USD Loan	In two parts in USD amounting USD 25 lakh and USD 25 lakh wherein group will pay interest in USD at 2.05% p.a & 2.0% p.a respectively.	In three Parts in USD amounting USD 1.745 Mn , USD 48 lakh and USD 13 lakh wherein the Group will pay interest in USD at 1.24% p.a , 1.38% p.a and 1.39 % p.a respectively.	USD 44 lakh wherein group will pay interest in USD at 1.38% p.a	–	–
	Rupee loan	Rupee Loan of ₹ 1,900 Lakhs and ₹1,876 lakhs wherein group will receive interest in rupee at 6.0% p.a.	Rupee Loan of ₹ 1,320 lakh, ₹ 3,680 lakh and ₹ 1,000 lakh wherein group will receive interest in rupee at 5.06% p.a.	Rupee Loan of ₹ 3,389 lakh wherein group will receive interest in rupee at 5.06% p.a.	–	–

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

22 Borrowings (Contd..)

b. Security details of term loan from HDFC Bank Limited are as follows:

Term loan-1

Secured against pari-passu on movable fixed assets of the Group located in 262M, Central Hope Town, Selakui, Dehradun and C-3/1, Selaqui Industrial Area Dehradun, first pari passu charge on all movable fixed assets of the Group (except those exclusively charged with other banks), and exclusive charge on immovable property located at Plot No C-2/1, UPSIDC Industrial Area, Selaqui, Dehradun.

Term loan-2 and Term loan-3

The loan is secured against exclusive charge on movable fixed assets of the Group located at Khasra No. 1050/2, 1050/6, 1050/7, 1050/8, 1050/9 situated at Mauza East Hope Town, Tehsil Vikas Nagar , Pargana- Pachwa Doon , District – Dehradun (Uttrakhand) ,first pari passu charge on all movable fixed assets of the Group (except those exclusively charged with other banks).

Term loan-4

Primary security for the loan is Corporate Guarantee from holding company and exclusive charge on movable Property, Plant and Equipment of the Padget Electronics Private Limited.

Term loan-5

Primary security for the loan is Corporate Guarantee from holding company and exclusive charge on movable Property, Plant and Equipment of the Padget Electronics Private Limited."

c. Prepayment of term loan

The Group has made pre-payments towards term loan-1 from HDFC Bank, of an amount of ₹ 1,400 Lakh. The Company has completely settled the outstanding balance of term loan-3 during the year.

II. The term loan taken from Qatar bank was repayable in eight half-yearly installments, with a two-year moratorium period starting from 31 July 2022. The interest rate on the loan is linked to the bank's one-year Marginal Cost of Funds Based Lending Rate (MCLR) plus 1.10%. Interest payments are to be made on monthly basis.

The loan was secured by an exclusive charge on the land, building and machinery located at plot no. 30 and 31 EMC 2, Tirupati, Chittoor, Andhra Pradesh. Additionally, the loan was secured by current assets and expected cash flows of the project, with a security cover of 1.25 times of loan amount.

The loan has been fully paid during the current year and exclusive charge on land, building and plant & machinery located at plot no. 30 and 31 EMC 2, Tirupati, Chittoor, Andhra Pradesh was released.

III. External commercial borrowing of USD 67.00 Lakhs (Foreign currency loan) from HSBC Bank was secured as first pari passu charge on movable property and plant of the subsidiary company and Equipment acquired through the proceeds of the Loan in favour of the security holder excluding vehicles (both Present and future).

External commercial borrowing is secured by second charges on current assets (both Present and future), further secured by corporate guarantee from the Holding company. Rate of interest is overnight SOFR+185 BPS. Term of repayment: Total tenor of loan is 5 years including 2 years moratorium. Repayable in 12 quarterly installments starting from June 2024 to March 2027. Repayment amount will be 20%, 30% and 50% of total loan in the year 3rd, 4th and 5th respectively. The loan has been fully paid during the year."

IV. Term loan from Indusind Bank Limited

a. The Group has obtained credit facility by way of Term Loan of ₹ 5,000 lakhs (Sanctioned amount) during the current financial year out of which the Group has used credit facility of ₹ 1,952 lakhs as on 31 March, 2023

b. **Rate of interest:** Rate of interest was floating interest rate of 5.15% p.a. linked to 1 year T-bill + 0.68% p.a. Spread with annual reset of basis and effective rate as on 31st of March 2023 is 8.15% p.a. which is linked to 3 Month T Bill + 1.75% p.a. with reset on 3rd month from date of disbursement of respective tranche.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

22 Borrowings (Contd..)

c. **Security details:** Exclusive Charge on Moveable and immovable fixed assets of the company situated at Plant No 1-4, Rural Industrial Complex, Humbran, Ludhiana, Punjab.

V. Vehicle loans are secured by way of hypothecation of the related assets. These are repayable in maximum sixty equal monthly instalments, repayment period is from 2017 ending in 2022-2023, bearing interest rate varying from 8.70% p.a to 10.06% p.a. Vehicle loans are fully paid during the year.

VI. Loan is secured by mortgage of the related asset and is repayable in 120 monthly instalments from August' 2017 to August' 2027 bearing interest rate of 9.15% p.a.

VII. The Group entered into a lease agreement with NOIDA authority for a land located at Plot No.6, Sector 151, Noida, measuring 21,000 sq mtr on 10th August 2021. The lease was granted at an allotment value of ₹ 2,917 lakh. The Group made an upfront payment of ₹ 875 lakh, and the remaining balance of ₹ 2,042 lakh was scheduled to be paid in 10 equal half-yearly installments starting December 2021 and concluding in June 2026. The Group has fully repaid the outstanding amount during the year.

VIII. Deferred liability payment to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC)

The Group entered into an agreement with APIIC (Andhra Pradesh Industrial Infrastructure Corporation) for a land comprising of 4 sheds, located at Plot No. 65A in YSR, EMC, Kopparthy. The initial lease term is of 10 years which can be extended upto 99 years, and the total land area measures 38,986.63 square meters for an allotment value of ₹ 1,010 lakh against which the company made an upfront payment of ₹ 508 lakh and the balance of ₹ 502 lakh is to be paid over a period of 3 years starting and last instalment to be paid in financial year 2025-26 and the Interest is being levied at 7% p.a.of the allotment price. For deferred liability payment no assets have been pledged or mortgaged against the deferred payment allowed by the authority.

IX. Non-cumulative, compulsorily redeemable preference shares

a. The Group has issued 88,20,000 (No's) of 6% unsecured Non Cumulative, Compulsorily Redeemable Preference Shares of ₹ 10 each (face value) for an aggregate consideration of ₹ 882 lakhs on right basis to the existing equity shareholders i.e. Beetel Teletech Limited.

b. Other terms:

- Non-cumulative dividend right.
- Compulsorily redeemable on completion of 10 years from the date of allotment
- Carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up and will be non-participating in surplus funds assets and profits, on winding up which may remain after the entire capital is repaid.

c. Details of preference shares holders are as below:

(₹ in Lakhs)

Particulars	As at 31 March, 2023		
	No's of shares	Amount	% holding
Beetel Teletech Limited	8,820,000	882	49%
	8,820,000	**882**	**49%**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

22 Borrowings (Contd..)

X Term of repayment of long term borrowings

(₹ in Lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Installments	Amount	No. of Installments	Amount
Secured monthly repayment				
Less than 1 year	12	19	25	68
Due 1 to 5 years	48	100	48	95
More than 5 years	1	1	8	24
Secured quarterly repayment				
Less than 1 year	45	3,023	15	1,183
Due 1 to 5 years	118	12,118	123	21,918
More than 5 years	8	1,087	23	3,600
Secured half yearly repayment				
Less than 1 year	–	–	12	1,434
Due 1 to 5 years	–	–	37	5,443
More than 5 years	–	–	–	–
Secured annual repayment				
Less than 1 year	1	167	–	–
Due 1 to 5 years	2	335	–	–
More than 5 years	–	–	–	–
Unsecured annual repayment				
Less than 1 year	–	–	–	–
Due 1 to 5 years	–	–	–	–
More than 5 years	1	882	–	–
		17,732		**33,765**

XI a. The Group has not defaulted in the repayment of dues to its lenders.

b. Borrowings from banks, financial institution and others have been used for the specific purpose for which it was taken at the balance sheet date.

23 Lease liabilities

(see note below)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A) Non Current		
a. Payable for lease obligation	25,283	19,732
	25,283	**19,732**
B) Current		
a. Payable for Lease Obligation	1,764	1,159
	1,764	**1,159**

Note:

For the other disclosure of leases refer note 9

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

23 Lease liabilities (Contd..)

I Movement in lease liabilities during the year:

(₹ in Lakhs)

Particulars	Note No	As at 31 March, 2023	As at 31 March, 2022
a. Lease liabilities			
– Non current		25,283	19,732
– Current		1,764	1,159
		27,047	**20,891**
b. Balance at the Beginning of the year		20,891	13,844
Additions during the year		7,419	8,020
		28,310	**21,864**
Finance cost accrued during the year			
– Capital work in progress		196	–
– Statement of profit and loss account		1,595	1,161
Payment of lease liabilities		(3,057)	(2,128)
Modification during the year		3	(6)
Balance as at end of the year		**27,047**	**20,891**
c. Maturity analysis of lease liabilities:			
i. The table below provides details regarding maturities of lease liabilities are as follows:			
Due within one year		1,764	1,159
Due later than one year and not later than five years		9,652	7,716
Due later than five years		15,631	12,016
Total		**27,047**	**20,891**
d. Expense recognised in the statement of profit and loss			
Interest on lease obligations	36	1,595	1,161
Depreciation on right of use assets	37	2,215	1,604
Expenses relating to short-term and low value leases (included in other expenses)	38	702	745
		4,512	**3,510**
e. Cash outflow of the leases			
Payment of lease liabilities		3,057	2,128
Expenses relating to short-term and low value leases		702	745

i. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. Rental expense for short-term and low value leases is ₹ 702 lakhs (previous year ₹ 745 lakhs) for the year ended March 31, 2023, the same have been recorded under the head 'Other expenses' in the financial statements.

iii. Lease contracts entered by the Group majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

23 Lease liabilities (Contd..)

II Disclosures for operating leases other than leases coverd in Ind AS 116

i. The Group has entered into cancellable operating leases and transactions for leasing of accommodation for Factory Building, Service Centre, office space, Godown, transit house etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

ii. The Group has given its properties on lease one party. Tenure of leases is 3 years. Terms of the lease include operating term for renewal, increase in rent in future period and term of cancellation have a notice period of 3 months, accordingly no lease obligation have been disclosed.

Lease expenses/income recognised during the year

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. As a lessee (expenses)		
Factory building, godown, office space, service centre and transit house	702	745
b. As a lessor (income)		
Factory building	104	12

24 Provisions

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A) Non Current		
a. Provision for employee benefit		
i. For gratuity (see note 47)	1,584	1,322
ii. For compensated absences	142	106
	1,726	**1,428**
B) Current		
a. Provision for employee benefits		
i. For gratuity (see note 47)	235	162
ii. For compensated absences	55	32
b. Provision for warranty (see note below)	568	535
	858	**729**
Note:		
Movement in provision for warranty		
Opening balance	535	441
Addition provision made during the year	675	721
Claim paid / adjustments during the year	642	627
Closing provision	**568**	**535**

Basis of warranty:

The Group gives eighteen months warranty on LED bulbs and twelve months warranties on television and washing machines. Bulbs are replaced with new bulbs and in respect of televisions and washing machines, defective part is changed/repaired.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

25 Deferred tax (net)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A. Deferred tax liabilities (net)		
a. Deferred tax liability		
i. Arising on account of timing differences in depreciation	2,844	2,449
b. Deferred tax assets		
i. Arising on account of timing differences in accrued expenses	604	437
	2,240	**2,012**

Note:

For deferred tax movement and tax reconciliation refer note 39.

26 Other liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
A) Non Current		
a. Deferred grant (see note 'i' below)	1,609	1,491
	1,609	**1,491**
Note:		
i. Movement in deferred grant during the year:		
Deferred Grant:		
Balance at the beginning of the year	1,491	93
Capital grant recognised during the year	360	1,753
	1,851	**1,846**
Less: Depreciation pertaining to assets acquired from grant	242	355
	1,609	**1,491**
B) Current		
a. Advances received from customers	7,721	1,269
b. Statutory dues	4,421	4,223
	12,142	**5,492**

27 Current borrowings
(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. From Banks (Secured)		
i. Buyer Credits (see note 'I' below)	–	12,034
ii. Working capital demand loan (see note 'II' below)	530	–
b. Current maturities of long term borrowings (see note "IV" below)	3,209	4,033
	3,739	**16,067**

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

27 Current borrowings (Contd..)

Notes:

I Borrowings from banks (comprising of Libor financing -Buyer Credit backed by SBLC/Bank guarantee) are secured on pari-passu basis over all the present and future book debts and stock-in-trade comprising of raw material, Components, work in progress and finished goods (Excluding present and future book debts and stock-in-trade comprising of raw material, Components, work in progress and finished goods arising out of LED TV Business) for banks mentioned below.

1. Yes Bank Limited
2. Standard Chartered Bank
3. RBL Bank Limited
4. Kotak Mahindra Bank
5. ICICI Bank Limited
6. HDFC Bank Limited
7. Indusind Bank Limited
8. J P Morgan Chase Bank N.A., India
9. CTBC Bank Co., Limited
10. SBM Bank India Limited
11. IDFC First Bank Limited
12. Indusind Bank Limited
13. Axis Bank Limited
14. Bank of Baroda
15. The Hong Kong Shanghai Banking Corporation (HSBC)
16. Doha Bank
17. Bajaj Finance Limited

Further, Borrowings from banks in form of Usance Letter of credit for business are secured on pari-passu basis over all the present and future book debts and stock-in-trade comprising of raw material, Components, work in progress and finished goods arising out of Xiaomi LED TV Business for banks mentioned below.

1. Standard Chartered Bank
2. IDFC First Bank Limited
3. ICICI Bank Limited
4. Indusind Bank Limited
5. HDFC Bank Limited

Further, Borrowings is secured by the first parri passu charge block of (present and future) entire movable fixed Assets (except those charged exclusively to other lenders) for banks mentioned below.

1. Standard Chartered Bank
2. HDFC Bank Limited

Further, Borrowings is secured by the first parri passu charge block of (present and future) movable fixed Assets of unit located at plot no 262M, Industrial area, Central hope Town, Selaqui, and District – Dehradun (both Present and Future) & unit located at C-3/1 Selaqui industrial Area, Dehradun & at Khasra No. 1022, Village Majra JamanPur, Central Hope Town, Pargana: Pachhwdoon District – Dehradun. (except those charged exclusively to other lenders) for banks mentioned below.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

27 Current borrowings (Contd..)

1. YES Bank Limited
2. HDFC Bank Limited

Further, Borrowing is secured by the exclusive charge on immovable property located at Plot No C-2/1, UPSIDC Industrial Area, Selaqui, Dehradun for bank mentioned below.

1. HDFC Bank Limited "

II. Working capital demand loan

a. The Group has availed working capital demand loan with of ₹ 2,000 lakhs(sanctioned limit) repayable on demand bearing a floating interest rate 1 month MIBOR + Spread. (Effective rate is 8% p.a.)

b. **Security details :**

Exclusive charge on current assets of the company, both present and future.

III. Other notes

a. The Company has not defaulted in the repayment of dues to its lenders

b. No charge or satisfaction of charge is pending for registration with Registrar of Companies (ROC).

c. Borrowings from banks/ financial institution have been used for the specific purpose for which it was obtained.

IV. For security clause and repayment terms of borrowings, refer note 22.

28 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Total outstanding dues of micro and small enterprises*	8,709	5,927
b. Total outstanding dues to creditors other than micro and small enterprises	236,479	225,447
	245,188	**231,374**

* For detailed disclosure of micro and small enterprises see note 42

Ageing for trade payables outstanding as at 31 March, 2023 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Total outstanding dues of micro enterprises and small enterprises	8,355	354	–	–	–	8,709
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	155,624	75,327	223	55	226	231,455
(iii) Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
	163,979	**75,681**	**223**	**55**	**226**	**240,164**
Accrued expenses	–	–	–	–	–	5,024
	163,979	**75,681**	**223**	**55**	**226**	**245,188**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

28 Trade payables (Contd..)

Ageing for trade payables outstanding as at 31 March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Total outstanding dues of micro enterprises and small enterprises	5,827	99	–	1	–	5,927
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	155,317	63,595	155	147	110	219,324
(iii) Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
	161,144	**63,694**	**155**	**148**	**110**	**225,251**
Accrued expenses						6,123
	1,61,144	**63,694**	**155**	**148**	**110**	**231374**

29 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Outstanding forward Marked to Market (MTM)	168	56
b. Unclaimed dividend	1	–
c. Interest accrued but not due on borrowings	54	64
d. Payable for property, plant and equipment	5,788	6,369
e. Amount refundable to customers	22,645	11,101
f. Others	486	325
	29,142	**17,915**

30 Current tax liabilities

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax liabilities (net)	1,266	853
	1,266	**853**

31 Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Sale of products	1,203,879	1,052,372
Sale of services	13,456	14,629
Other operating revenues	1,866	2,707
	1,219,201	**1,069,708**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

31 Revenue from operations (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Revenue from contracts with customers disaggregated based on nature of product or service		
a. Revenue from sale of products		
Manufactured goods	1,203,879	1,052,372
	1,203,879	**1,052,372**
b. Revenue from sale of services		
Service charges	321	312
Job work charges	13,135	14,317
	13,456	**14,629**
c. Other operating revenues		
Export incentive	11	1,098
Rent received (production facility charges)	104	12
Other incentive	1,751	1,597
	1,866	**2,707**
Total revenue from operations	**1,219,201**	**1,069,708**
Disaggregated revenue information		
B. Revenue from contracts with customers disaggregated based on geography		
a. Domestic	1,117,516	1,003,064
b. Exports	101,685	66,644
	1,219,201	**1,069,708**
C. Reconciliation of gross revenue from contracts with customers (sale of products)		
Gross revenue from contract with customers	1,204,991	1,053,965
Cash discount and credit note etc	(1,112)	(1,593)
Net revenue recognised from contracts with customers	**1,203,879**	**1,052,372**

32 Other income

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest income on:		
– Fixed deposits (margin money)	84	44
– Loans to joint ventures	1	1
– Others	44	21
Other non operating income		
Compensation Income	2	30
Gain on sale or fair value of mutual funds (at FVTPL)	78	58
Incentive income on government grant	114	7
Excess liabilities, credit balances, provisions etc. written back	54	3
Financial assets measured at amortised cost	3	–
Foreign exchange fluctuation gain (Net)	–	19
Insurance claim	7	83
Provision for doubtful debts / loans and advances written back	3	115
Reversal of provision for impairment	171	–
	561	**381**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

33 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Raw materials at the beginning of the year	83,224	46,547
Add: Purchase (Including components)	1,084,602	1,025,643
	1,167,826	**1,072,190**
Less: Raw materials at the end of the year	66,309	83,224
	1,101,517	**988,966**

34 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the beginning of the year		
Finished goods	9,843	3,541
Work in progress	14,996	10,256
	24,839	**13,797**
Inventories at the end of the Year		
Finished goods	10,801	9,843
Work in progress	13,481	14,996
	24,282	**24,839**
Changes in inventories of finished goods and work in progress	**557**	**(11,042)**

35 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries, wages and bonus	19,579	14,913
Contribution to provident and other funds	1,198	922
Provision for gratuity (see note 47)	379	274
Share based payments to employees (see note 46)	1,182	1,072
Staff welfare expense	2,829	2,598
	25,167	**19,779**

36 Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest on borrowings	4,039	3,112
Interest on lease obligation	1,595	1,161
Other financial charges	423	147
	6,057	**4,420**

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

37 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on property, plant and equipment	8,800	6,669
Amortisation of intangible assets	448	122
Depreciation on right of use assets	2,215	1,604
	11,463	**8,395**

38 Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Consumption of stores and spares	2,786	2,435
Contractor wages and job work charges	20,841	17,081
Service charges	238	398
Power and fuel	4,733	4,041
Rent	702	745
Repairs and maintenance:		
– for buildings	94	155
– for plant and equipment	209	231
– for others	463	465
Insurance	927	822
Rates and taxes	307	218
Selling and distribution expenses	3,006	2,704
Donations to others	7	3
Director's sitting fees	27	28
Payment to auditors (refer note below)	90	68
Bad debts write off	10	10
Provision for doubtful debts / loans and advances	–	25
Loss on sale of property, plant and equipment (net)	320	5
Corporate social responsibility expenses (see note 48)	436	392
Exchange fluctuations (Net)	222	–
Bank charges	350	520
Miscellaneous expenses	4,917	3,748
	40,685	**34,094**
Note:		
Payment to auditors comprises:		
Statutory auditors		
Audit and limited review fees	36	32
Tax audit fees	4	4
Certification fees	4	–
Out of pocket expenses	5	1
	49	**37**
Group auditors		
Audit fees	19	12
Tax audit fees	2	2
Certification fees	11	1
Out of pocket expenses	1	8
Payment to cost auditors	8	8
	41	**31**
Total payment to auditors	**90**	**68**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

39 Tax expense

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax expense	8,766	6,358
Deferred tax benefit	269	46
	9,035	**6,404**
Income Tax for earlier years (net)	(65)	34
Tax expenses for the year recognised in Profit and loss	**8,970**	**6,438**
Tax expense recognised in other comprehensive income ('OCI')	16	4
	16	**4**
A. Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022		
Profit before tax	34,478	25,471
Applicable income tax rate	25.17%	25.17%
Estimated income tax expense	8,677	6,410
Tax effect of adjustments to reconcile expected Income tax expense to reported		
Non taxable income/expense (net)	102	107
Temporary differences on which deferred tax not created	(26)	(8)
Income tax for earlier years	(65)	34
Others	282	(105)
	8,970	**6,438**
Income Tax expense in the Statement of Profit and Loss	**8,970**	**6,438**
B. Movement in the deferred tax liabilities (net):		
Deferred tax (net)		
a. Deferred tax liability	2,844	2,449
b. Deferred tax assets	604	437
	2,240	**2,012**

(₹ in Lakhs)

Particulars	As at 1 April, 2022	Recognised in profit and loss	Adjustment with income tax ealier years	Recognised in OCI	As at 31 March, 2023
Deferred tax liabilities					
– Written down value of property, plant and equipment and intangible assets	2,445	395	–	–	2,840
– Others	4	–	–	–	4
	2,449	**395**	**–**	**–**	**2,844**
Deferred tax assets					
– Provision for doubtful advances	18	(1)	–	–	17
– Provision for doubtful debts	10	3	–	–	13
– Provision for employee benefits	316	49	–	16	381
– lease obligation	64	92	–	–	156
– security deposit	9	5	–	–	14
– Others	20	(22)	25	–	23
	437	**126**	**25**	**16**	**604**
	2,012	**269**	**(25)**	**16**	**2,240**

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

39 Tax expense (Contd..)

(₹ in Lakhs)

Particulars	As at 1 April, 2021	Recognised in Profit and loss	Adjustment with income tax ealier years	Recognised in OCI	As at 31 March, 2022
Deferred tax liabilities					
– Written down value of property, plant and equipment and intangible assets	2,295	150	–	–	2,445
– Others	4	1	–	(1)	4
	2,299	**151**	**–**	**(1)**	**2,449**
Deferred tax assets					
– Provision for doubtful advances	18	–	–	–	18
– Provision for doubtful debts	37	(27)	–	–	10
– Provision for employee benefits	216	97	–	3	316
– lease obligation	6	58	–	–	64
– Security deposit	–	9	–	–	9
– Others	52	(32)	–	–	20
	329	**105**	**–**	**3**	**437**
	1,970	**46**	**–**	**(4)**	**2,012**

40 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Financial and other commitments		
i. Letters of Credit (outstanding)	36,411	58,234
During the year, the Group has availed Non Fund based LC Limits of ₹ 2,37,500 Lakh (Previous year ₹ 1,64,500 lakhs) from various Banks to import raw material relating to manufacture of finished goods.		
ii. Guarantees issued by bankers on behalf of the Group		
(These are covered by the charge created in favour of Group's banker by way of hypothecation of stock and trade receivables besides pledge of fixed deposits as margin money)	1,150	33,563
iii. Bill discounting with banks	15,891	28,324
iv. a) Bond given to custom department on behalf of the joint venture company	150	3,840
b) Bond given to custom department under authorised economic operator	14,558	36,350
b. Contingent liabilities		
i. Disputed tax and other liabilities for:		
a. Income tax	2,421	2,348
b. Sales tax	437	437
c. Goods and service tax	52	33
d. Excise custom duty and service tax	2,126	2,372
e. Other disputes	18	36
ii. Summary of amount paid under protest against above:		
i. Sales tax	140	140
ii. Excise custom duty and service tax*	1,606	860
iii. Goods and service tax	25	31
	1,771	**1,031**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

40 Contingent liabilities and commitments (to the extent not provided for) (Contd..)

The Group has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Group.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

* Search was conducted by Directorate of Revenue Intelligence (DRI) at company's premises on 20 December, 2021. During investigation, questions were raised on interpretation issue on classification on import of goods. To avoid unnecessary business interruption, the Group had decided to make an deposit of ₹ 700 Lakh under protest. The Group has not received any show cause notice or demand from the Department. The management is of the opinion that the Group is in compliance of law and the Group has strong chances of success against any dispute/demand and no liability will arise.

c. **Capital commitments:**

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Commitments for acquisition of property, plant and equipment (net of advances)	9,864	2,312

d. The Group has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

e. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Group.

f. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

41 Assets mortgaged as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are :

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current assets:		
Financial assets		
Trade receivables	171,545	135,635
Inventories (excluding in transit)	90,591	108,063
Total current assets mortgaged as security	**262,136**	**243,698**
Non-current:		
Land (Freehold and leasehold)	366	542
Vehicles	–	207
Buildings	2,367	4,629
Plant and machinery and others	59,483	52,834
Total non-currents assets mortgaged as security	**62,216**	**58,212**
Total assets mortgaged as security	**324,352**	**301,910**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

42 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year		
– Principal amount	8,709	5,927
– interest due	–	–
b. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	1,130	984
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	7	3
d. the amount of interest accrued and remaining unpaid at the end of each accounting year	7	3
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	–	1

43 Earnings per share

(₹ in Lakhs)

Particulars	Units	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Basic EPS			
Profit for the year	₹ / Lakh	25,508	19,033
Weighted average number of equity shares outstanding	No's	59,422,005	58,899,761
Face value of per share	₹	2	2
Basic Earnings per share	₹	42.92	32.31
b. Diluted EPS			
Profit for the year	₹ / Lakh	25,508	19,033
Weighted average number of equity shares for calculation of diluted EPS (See note below)	No's	59,853,182	59,473,503
Face value of per share	₹	2	2
Diluted Earnings per share	₹	42.62	32.00
Note:			
The weighted average number of equity shares for the purpose of diluted earnings per share:			
Weighted average number of equity shares outstanding	No's	59,422,005	58,899,761
Weighted average number of potential equity shares on exercise of stock option	No's	431,177	573,742
Weighted average number of equity shares for calculation of diluted earnings per share	No's	**59,853,182**	**59,473,503**

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44 Details of research and development expenditure

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Revenue expenditure		
Cost of materials consumed	169	76
Employee benefits expense	444	331
Depreciation and amortisation expense	43	31
Other expenses	104	107
	760	**545**
b. Capital expenditure		
Purchase of property, plant and equipment	542	57
	542	**57**

The expenditure on research and development activities are included in respective head of expenses as presented in the consolidated financial statements.

45 Financial instruments

a. Categories of financial instruments

The carrying amount of the Group's financial instruments is as below:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial asset		
I. Measured at cost		
i. Investments in jointly controlled entities	1,261	594
II. Measured at amortised cost		
i. Other financial assets		
– Non-current	3,483	3,559
– Current	8,991	15,615
ii. Trade receivables	171,545	135,635
iii. Cash and cash equivalents	21,704	17,646
iv. Other bank balances	1,214	588
v. Loans	–	44
III Measured at fair value through Profit and Loss (FVTPL)		
i. Investments		
– Non current	154	–
– Current	3,000	13,502

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

45 Financial instruments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial liabilities		
I Measured at fair value through Profit and Loss (FVTPL)		
i. Outstanding forward marked to market (MTM)	168	56
II Measured at amortised cost		
i. Borrowings		
– Non current	14,523	29,732
– Current (including current maturities of long term borrowings)	3,739	16,067
ii. Lease Liability		
– Non current	25,283	19,732
– Current	1,764	1,159
iii. Trade payables	245,188	231,374
iv. Other current financial liabilities	28,974	17,859

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level I: includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level II: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Group's management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

ii. The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

45 Financial instruments (Contd..)

rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value

iii. The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.

iv. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at 31 March 2023, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

b. Fair value hierarchy

The disclosure of the financial instruments measured at fair value and valuation technique are as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at 31 March, 2023	As at 31 March, 2022
Financials Assets			
Outstanding forward contracts (MTM,FVTPL)	Level II	168	56
Investments in mutual fund	Level I	3,000	13,502
Investments in equity shares	Level III	154	–

c. Financials risk management objectives and policies:

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group's are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group's policies and Group risk objective.

d. Financial risk management

The Group's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

– Market risk

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

45 Financial instruments (Contd..)

- Credit risk
- Liquidity risk

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

I. Foreign currency risk

a. The operation of the Group give exposure to foreign exchange risk arising from foreign currency transactions and foreign currency loans, primarily with respect to the US$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company hedge the foreign currency exposure. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

b. The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The Group measures the forward contract at fair value through profit and loss.

c. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

The foreign currency exposures for the year ended are as follows:

(₹ in Lakhs)

Particulars		As at 31 March, 2023			As at 31 March, 2022		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Borrowings	In USD / Lakh	–	–	–	305	–	305
	In ₹ / Lakh	–	–	–	18,045	–	18,045
Buyers' Credit	In USD / Lakh	–	–	–	258	–	258
	In ₹ / Lakh	–	–	–	12,021	–	12,021
Payables	In USD / Lakh	1,913	468	1,445	1,595	275	1,320
	In CNY / Lakh	2,558	–	2,558	123	–	123
	In JPY / Lakh	2,629	–	2,629	1,959	–	1,959
	In AED/lakh	–	–	–	3	–	3
	In ₹ / Lakh	169,383	38,425	130,958	124,306	20,847	103,459
Other financial liability	JPY/lakh	308	–	308	–	–	–
	₹/lakh	190	–	190	–	–	–
Total liabilities	In USD / Lakh	1,913	468	1,445	2,158	275	1,883
	In CNY / Lakh	2,558	–	2,558	123	–	123
	In JPY / Lakh	2,937	–	2,937	1,959	–	1,959
	In AED/lakh	–	–	–	3	–	3
	In ₹ / Lakh	169,573	38,425	131,148	154,372	20,847	133,525
Receivables	In USD / Lakh	91	–	91	275	67	208
	In ₹ / Lakh	7,431	–	7,431	10,385	5,054	5,331
Total assets	In USD / Lakh	91	–	91	275	67	208
	In ₹ / Lakh	7,431	–	7,431	10,385	5,054	5,331

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

45 Financial instruments (Contd..)

i. Foreign currency risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets	7,431	5,331
Financial liabilities	131,148	133,525
Net exposure (liabilities)	**123,717**	**128,194**

ii. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Impact on profit or loss for the year	1,237	1,282
Impact on total equity as at the end of reporting year	926	959

This is mainly attributable to the exposure outstanding on Currency USD and JPY receivables and payables by the Company at the end of the reporting period. Impact on profit for the year are gross of tax.

II. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

a. Interest rate risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Variable rate borrowings	16,758	45,612
Fixed rate borrowings	1,504	187
	18,262	**45,799**

b. Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

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for the year ended 31 March, 2023

45 Financial instruments (Contd..)

The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Impact on profit or loss for the year	168	456
Impact on total equity as at the end of reporting year	125	341

Impact on profit for the year are gross of tax and impact on total equity is net of tax

B Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For other financial assets, the Group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The Company's exposure to customers is diversified and two customers contributes to more than 10% of outstanding trade receivable.

Reconciliation of loss allowance provision

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	54	145
Provision adjusted against the amount written off	2	14
Reversal of provision during the year	3	105
Closing provision	**49**	**54**

The provision for loss allowances of trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

C Liquidity risk management

a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

45 Financial instruments (Contd..)

Maturities of financial liabilities

(₹ in Lakhs)

As on 31 March, 2023	<12 months	>12 months	Total	Carrying value
Non Derivative				
Long term borrowings	–	14,523	14,523	14,523
Short term borrowings including current maturities of long term debt	3,739	–	3,739	3,739
Trade Payables	245,188	–	245,188	245,188
Lease liability	1,764	25,283	27,047	27,047
Other financial liabilities	29,142	–	29,142	29,142

(₹ in Lakhs)

As on 31 March, 2022	<12 months	>12 months	Total	Carrying value
Non Derivative				
Long term borrowings	–	29,732	29,732	29,732
Short term borrowings including current maturities of long term debt	16,067	–	16,067	16,067
Trade Payables	231,374	–	231,374	231,374
Lease liability	1,159	19,732	20,891	20,891
Other financial liabilities	17,915	–	17,915	17,915

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of financial assets

(₹ in Lakhs)

As on 31 March, 2023	<12 months	>12 months	Total	Carrying value
Non derivative				
Other financial assets	8,991	3,483	12,474	12,474
Investments	3,000	1,415	4,415	4,415
Trade receivables	171,545	–	171,545	171,545
Cash and cash equivalents	21,704	–	21,704	21,704
Bank balances other than cash and cash equivalent	1,214	–	1,214	1,214

(₹ in Lakhs)

As on 31 March, 2022	<12 months	>12 months	Total	Carrying value
Non derivative				
Other financial assets	15,615	3,559	19,174	19,174
Investments	13,502	594	14,096	14,096
Trade receivables	135,635	–	135,635	135,635
Cash and cash equivalents	17,646	–	17,646	17,646
Bank balances other than cash and cash equivalent	588	–	588	588
Loans	44	–	44	44

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for the year ended 31 March, 2023

45 Financial instruments (Contd..)

e. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 40%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and current investments.

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Net debt		
a. Borrowings		
– Non current	14,523	29,732
– Current (including current maturities of long term debt)	3,739	16,067
	18,262	**45,799**
b. Cash and cash equivalents	21,704	17,646
c. Current investments	3,000	13,502
	24,704	**31,148**
Net debt/(Surplus)	**(6,442)**	**14,651**
Total equity	**128,491**	**99,678**
Net debt to equity ratio	**(-5.01%)**	**14.70%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

Loan covenants

Under the terms of the major borrowing facilities, the Holding Company is required to comply with the following financial covenants:

a. Current ratio Must be more then 1.33

b. Interest Coverage ratio must be more than 4.0 time

c. DSCR >1.5

d Total Debt /EBIDTA < 2.0

e Total Outside liabilities / Total Networth <2.5

f At least 30% of Collection (exculding Xiaomi sale) to be routed through HDFC bank account

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

46 Employee Stock Option Plan

The Holding Company Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ('Dixon ESOP 2018') and Dixon Technologies (India) Limited — Employee Stock Option Plan, 2020 ('Dixon ESOP 2020') which provided for the grant of equity shares of the Holding Company to the eligible employees of the Holding Company, its subsidiaries and joint ventures companies. The board of directors of the Holding Company recommended the establishment of the Dixon ESOP 2018 and Dixon ESOP 2020 to the shareholders on 26th May, 2018 and 22nd August, 2020 respectively and shareholders approved the recommendations of the Board of Directors in Annual General Meeting held on 25th July, 2018 and 29th September, 2020 respectively. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2018 and Dixon ESOP 2020 was 5,00,000 equity shares and 3,00,000 Equity Shares respectively. Further, effective 19th March, 2021, the equity shares of the Company have been splitted from 1 equity share of ₹ 10/- each to 5 equity shares of ₹ 2/- each, therefore, the aforementioned numbers of equity shares have been adjusted accordingly in the below table. Under Dixon ESOP 2018, the Group has approved 4 grants vide its meeting held on 31st October, 2018 , 13th November, 2019, 04th August, 2020 and 25th March, 2022 and under Dixon ESOP 2020 has approved 3 grants vide its meeting held on 30th October, 2020, 20th October, 2022 and 06th February, 2023. As per the plan, option granted under Dixon ESOP 2018 would vest in not less than one year and not more than 4 years from the date of grant of such options and the options granted under Dixon ESOP 2020 would vest in not less than one year and not more than 5 years from the date of grant of such options. Both the Plans are Equity Settled Plans.

(₹ in Lakhs)

Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
	Grant I	Grant II	Grant III	Grant IV	Grant-I	Grant II	Grant- III
Date of Grant	31-Oct-18	13-Nov-19	4-Aug-20	25-Mar-22	30-Oct-20	20-Oct-22	6-Feb-23
Date of Share holders Approval	25-Jul-18	25-Jul-18	25-Jul-18	25-Jul-18	29-Sep-20	29-Sep-20	29-Sep-20
Date of Board of Directors Approval / Committee	26-May-18	26-May-18	26-May-18	26-May-18	22-Aug-20	22-Aug-20	22-Aug-20
No. of Option	2,488,000	24,500	72,500	26,500	1,500,000	166,500	41,000
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	31-Oct-19	13-Nov-20	4-Aug-21	25-Mar-23	30-Oct-21	21-Oct-23	7-Feb-24
	31-Oct-20	13-Nov-21	–	25-Mar-24	30-Oct-22	21-Oct-24	7-Feb-25
	31-Oct-21	–	–	25-Mar-25	30-Oct-23	21-Oct-25	7-Feb-26
	–	–	–	–	30-Oct-24	21-Oct-26	7-Feb-27
	–	–	–	–	30-Oct-25	21-Oct-27	7-Feb-28
Exercise Price (Per Share ₹)	372.96/-	418.52/-	1,434.31/-	3,458.52/-	1,538.26/-	A. 75,000 equity shares @ ₹ 2,563.59/- B. 25,000 equity shares @ ₹ 2,777.22/- C. 66,500 equity shares @ ₹3,631.75/-	2,617.67/-
Exercise Period	Options vested may be exercised by the Option Grantee within a maximum period of One	Options vested may be exercised by the Option Grantee within a maximum period of One	Options vested may be exercised by the Option Grantee within a maximum period of One	Options vested may be exercised by the Option Grantee within a maximum period of One	Options vested may be exercised by the Option Grantee within a maximum period of One	Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options.	Options vested may be exercised by the Option Grantee within a maximum period of One

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(₹ in Lakhs)

Particulars	Dixon ESOP 2018				Dixon ESOP 2020		
	Grant I	Grant II	Grant III	Grant IV	Grant-I	Grant II	Grant- III
	Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	Year from the date of last vesting of Options. Hence maximum term of Options granted is 3 years.	Year from the date of last vesting of Options. Hence maximum term of Options granted is 2 years.	Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	Year from the date of last vesting of Options. Hence maximum term of Options granted is 6 years.	Hence maximum term of Options granted is 6 years.	Year from the date of last vesting of Options. Hence maximum term of Options granted is 6 years.
Ext. of Exercise Period	None	None	None	None	None	None	None

(₹ in Lakhs)

Particulars	As on 31 March, 2023								
	Dixon ESOP 2018				Dixon ESOP 2020				
	Grant I	Grant II	Grant III	Grant IV	Grant I	Grant II			Grant III
						A	B	C	
1 Outstanding at the beginning									
– Shares arising out of options	–	–	–	26,500	884,920	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	1,538	–	–	–	–
2 New option granted during the year									
– Shares arising out of options	–	–	–	–	–	75,000	25,000	66,500	41,000
– Weighted average exercise price	–	–	–	–	–	2,564	2,777	3,632	2,618
3 Forfeited and expired									
– Shares arising out of options	–	–	–	4,000	16,260	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	1,538	–	–	–	–
4 Options Exercised during the year									
– Shares arising out of options	–	–	–	–	218,230	–	–	–	–
– Weighted average exercise price	–	–	–	–	1,538	–	–	–	–
5 Outstanding at the end									
– Shares arising out of options	–	–	–	15,750	650,430	75,000	25,000	66,500	41,000
– Weighted average exercise price	–	–	–	3,459	1,538	2,564	2,777	3,632	2,618
6 Exercisable at the end									
– Shares arising out of options	–	–	–	6,750	–	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	–	–	–	–	–

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

(₹ in Lakhs)

Particulars	As on 31 March, 2022								
	Dixon ESOP 2018				Dixon ESOP 2020				
	Grant I	Grant II	Grant III	Grant IV	Grant I	Grant II			Grant III
						A	B	C	
1 Outstanding at the beginning									
– Shares arising out of options	462,600	12,250	72,500	–	1,234,150	–	–	–	–
– Weighted average exercise price	373	419	1,434	–	1,538				
2 New option granted during the year									
– Shares arising out of options	–	–	–	26,500	–	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	–	–	–	–	–
3 Forfeited and expired									
– Shares arising out of options	11,000	–	10,000	–	103,000	–	–	–	–
– Weighted average exercise price	373	–	1,434	–	1,538	–	–	–	–
4 Options Exercised during the year									
– Shares arising out of options	451,600	12,250	62,500	–	246,230	–	–	–	–
– Weighted average exercise price	373	419	1,434	–	1,538	–	–	–	–
5 Outstanding at the end									
– Shares arising out of options	–	–	–	26,500	884,920	–	–	–	–
– Weighted average exercise price	–	–	–	3,459	1,538	–	–	–	–
6 Exercisable at the end									
– Shares arising out of options	–	–	–	–	–	–	–	–	–
– Weighted average exercise price	–	–	–	–	–	–	–	–	–

* Fair value of option is based on the valuation report of option.

Pursuant to the approval of the shareholders accorded on March 7, 2021 vide postal ballot conducted by the Group, each equity share of face value of ₹ 10/- per share was subdivided into five equity shares of face value of ₹ 2/- per share, with effect from March 19, 2021, accordingly the presentation for the current year have been updated.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

47 Employee benefits

a. Defined Contribution Plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Group's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The Group's obligation is limited to the amounts contributed by it.

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Contribution to provident and other funds		
a. Contribution to provident fund	1,090	816
b. Contribution to employee state insurance	44	53
c. Contribution to national pension scheme	64	53
	1,198	**922**

b. Defined benefits plan

Gratuity: The Group provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The resent value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(i) Principal Auctorial Assumptions

a. The assumptions of Dixon Technologies (India) Limited, AIL Dixon Technologies Private Limited and Dixon Electro Appliances Private Limited and Dixon Electro Manufacturing Private Limited as follows:

(₹ in Lakhs)

Particulars		Year ended 31 March, 2023	Year ended 31 March, 2022
Future Salary Increase		6.00%	6.00%
Discount rate		7.36%	7.19%
Mortality rates		100% of IALM (2012-14)	100% of IALM (2012-14)
Attributes of ages: withdrawal rate (%)			
	up to 30 years	3.00%	3.00%
	From 31 to 44 years	2.00%	2.00%
	Above 44 years	1.00%	1.00%
Retirement age (years)		58	58

b. The assumptions for Padget Electronics Private Limited as follows:

(₹ in Lakhs)

Particulars		Year ended 31 March, 2023	Year ended 31 March, 2022
Future Salary Increase		5.50%	5.50%
Discount rate		7.40%	7.26%
Mortality rates		100% of IALM (2012-14)	100% of IALM (2012-14)
Attributes of ages: withdrawal rate (%)			
	upto 30 years	3.00%	3.00%
	From 31 to 44 years	2.00%	2.00%
	Above 44 years	1.00%	1.00%
Retirement age (years)		58	58

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

47 Employee benefits (Contd..)

(ii) Amount recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current service cost	271	212
Net interest cost	108	62
Expense recognised in the statement of profit and loss	**379**	**274**

(iii) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	–	–
Actuarial (gains) / losses arising from changes in financial assumptions	(27)	(54)
Actuarial (gains) / losses arising from experience adjustments	171	(1)
Amount recognised in other comprehensive income	**144**	**(55)**

Notes:

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the statement of profit and loss.

ii. The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

iii. The Group gratuity scheme is unfunded.

(iv) Movements in the present value of the defined benefit obligation:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Liability at the beginning of the year	**1,484**	**923**
Acquisition adjustment	–	372
Interest Costs	108	62
Current Service Costs	271	212
Benefits paid	(188)	(110)
Actuarial (Gain)/Loss on obligations due to change in Obligation	144	25
Liability at the end of the year	**1,819**	**1,484**

The amount included in the consolidated financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Provision for gratuity		
– Non-Current	1,584	1,322
– Current	235	162
	1,819	**1,484**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

47 Employee benefits (Contd..)

(v) Experience Adjustments

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2019
Present value of DBO	1,819	1,484	923	717	509
Fair value of plan assets	–	–	–	–	–
Funded status	–	–	–	–	–
Gain/(loss) on obligation	144	25	(7)	(61)	(10)
Gain/(loss) on plan assets	–	–	–	–	–

(vi) Sensitivity Analysis

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a. Impact of the change in discount rate		
Present Value of Obligation	1,819	1,484
Impact due to increase of 0.50 %	(80)	(57)
Impact due to decrease of 0.50 %	87	62
b. Impact of the change in salary increase		
Present Value of Obligation at the end of the period	1,819	1,484
Impact due to increase of 0.50 %	83	59
Impact due to decrease of 0.50 %	(78)	(55)

Notes:

i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.

ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

iii. The above sensitivity analysis are with out giving the impact of tax.

(vii) Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Financial year	Amount
With in 1 year	235
Between 1 to 5 years	385
Above 5 years	1,199
	1,819

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow:

a. Salary Increases: Change in rate of future salary increase in subsequent years will result in higher liability.

b. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

c. Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

47 Employee benefits (Contd..)

d. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact Plan's liability.

c. Liability for compensated absences is recognised on the basis of actuarial valuation as per Projected Unit Credit Method

Actuarial assumptions for compensated absences are as below:

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
i. Discounting rate	7.36%	7.19%
ii. Future increase salary	6.00%	6.00%

48 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Group, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The area for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the group as per the Act.

(₹ in Lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(i) A. Gross amount required to be spent by the Group	434	392
Total (A)	**434**	**392**
B. Amount spent by the Group		
a. Expenditure		
i. Jan Maadhyam	18	–
ii. Nav Abhiyan	10	5
iii. Youth Foundation	–	3
iv. Donation of Ambulances through state govt. of Uttarakhand	–	43
v. Donation of Oxygen Concentrators	–	230
vi. Saint Hardyal Educational and Orphans Welfare Society (SHEOWS)	40	37
vii. *PM Cares fund pertains to FY 2021-22 (previous year related to FY 2020-21)	2	67
viii. Champa Devinder Dhingra Trust	–	2
ix. Labhya Foundaion	30	5
x. Bansividya Memorial Trust	10	–
xi. Isha Foundation	10	–
xii. Mahavir Foundation Trust	10	–
xiii. PHD Rural Development Foundation	6	–
xiv. Rotary Club South end	20	–
xv. Teach to Lead	50	–
xvi. Purkal Youth Development Society	31	–
xvii. Reimagining Higher Education Foundation	195	–
Total (a)	**432**	**392**
b. Repair to school	4	–
Total (b)	**4**	**–**
Total Expenditure (a)+(b)	**436**	**392**
C. Shortfall at the end of the year	–	–

There is no payment made to related parties

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

48 Corporate Social Responsibility (Contd..)

(ii) Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at the beginning of the year	–	67
Amount required to be spent during the period	434	325
Amount required in a specified part of schedule VII of the Act with in 6 month	(2)	–
Amount spent during the year	436	392
Balance / (excess spending) as at the closing of the year	**–**	**–**

(iii) Details of excess CSR expenditure under section 135(5) of the Act

(₹ in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance excess / short spent as at the beginning of the year	–	–
Amount required to be spent during the period	–	–
Amount spent during the year (for the FY 2021-22)	–	–
Balance as at the closing of the year	**–**	**–**

*The Group contributed ₹ 2 Lakhs towards the PM Cares Fund out of its CSR Budget for the FY 2021-22 and ₹ 67 Lakhs contribution in FY 2021-22 pertains to FY 2020-21.

(iv) These is no payment made to related parties

49 Segment Reporting

The Chief Operating Decision Maker (CODM) comprises of the Board of Directors ,Managing Director and Vice chairman and Chief financial officer which examines the Group's performance on the basis of single operating segment i.e. Electronics Goods; accordingly segment disclosure has not been made.

Revenue from three customers (Previous year two customers) of the Company represented approximately 59% of the total revenue (Previous year 51%).

50 Related party disclosure

a. List of related parties

i Joint Venture Company

a. Rexxam Dixon Electronics Private Limited (formerly known as Dixon Devices Private Limited) (Incorporated as subsidiary on 15 May, 2021 upto 22 March, 2022)

b. Califonix Tech and Manufacturing Private Limited (Incorporated on 27 April,2022)

c. AIL Dixon Technologies Private Limited

ii. Key Managerial Personnel and their relatives

a.	Mr. Sunil Vachani	Chairman
b.	Mr. Atul B. Lall	Vice Chairman and Managing Director

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

50 Related party disclosure (Contd..)

c.	Mr. Saurabh Gupta	Chief financial officer
d.	Mr. Ashish Kumar	Company secretary
e.	Mr. Manuji Zarabi	Non Executive Independent Director
f.	Ms. Poornima Shenoy	Non Executive Independent Director
g.	Mr. Manoj Maheshwari	Non Executive Independent Director
h.	Mr. Keng Tsung Kuo	Non Executive Independent Director
i	Mr. Rakesh Mohan	Non Executive Independent Director
j	Mr. Prithvi Vachani	Project Manager (Son of Chairman)

iii. Entities over which individuals mentioned in (ii) above are able to exercise control/significant influence

a. Dixon Applied Technology Training Institute

iv. Entities over which executive directors or relatives are able to exercise control/significant influence

a. Light House Partners

b. Topline Electronics Private Limited

c. Smartice LLP

b. Transactions with related parties

(₹ in Lakhs)

Particulars	Joint Venture Company		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Transactions during the year								
Investment in equity	**505**	**600**	**–**	**–**	**–**	**–**	**505**	**600**
Rexxam Dixon Electronics Private Limited	–	600	–	–	–	–	–	600
Califonix Tech and Manufacturing Private Limited	505	–	–	–	–	–	505	–
Interest income	**1**	**1**	**–**	**–**	**–**	**–**	**1**	**1**
Rexxam Dixon Electronics Private Limited	1	1	–	–	–	–	1	1
Loan given to related party	**–**	**44**	**–**	**–**	**–**	**–**	**–**	**44**
Rexxam Dixon Electronics Private Limited	–	44	–	–	–	–	–	44
Service charges income	**167**	**65**	**–**	**–**	**–**	**–**	**167**	**65**
Rexxam Dixon Electronics Private Limited	25	–	–	–	–	–	25	–
AIL Dixon Technologies Private Limited	142	65	–	–	–	–	142	65
Sale of goods	**19,342**	**–**	**–**	**–**	**68**	**1**	**19,410**	**1**
Rexxam Dixon Electronics Private Limited	19,330	–	–	–	–	–	19,330	–
AIL Dixon Technologies Private Limited	12	–	–	–	–	–	12	–
Topline Electronics Private Limited	–	–	–	–	68	1	68	1
Purchase of goods	**2,752**	**297**	**–**	**–**	**–**	**–**	**2,752**	**297**
Rexxam Dixon Electronics Private Limited	2,610	–	–	–	–	–	2,610	–
AIL Dixon Technologies Private Limited	142	297	–	–	–	–	142	297

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

50 Related party disclosure (Contd..)

(₹ in Lakhs)

Particulars	Joint Venture Company		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Job Work Charges received	**54**	**13**	**–**	**–**	**–**	**–**	**54**	**13**
Rexxam Dixon Electronics Private Limited	49	–	–	–	–	–	49	–
AIL Dixon Technologies Private Limited	5	13	–	–	–	–	5	13
Service charges paid	**–**	**–**	**–**	**–**	**1**	**1**	**1**	**1**
Smartice LLP	–	–	–	–	1	1	1	1
Sale of Property, plant and equipment	**230**	**–**	**–**	**–**	**–**	**–**	**230**	**–**
Rexxam Dixon Electronics Private Limited	230	–	–	–	–	–	230	–
Rent income	**100**	**–**	**–**	**–**	**–**	**–**	**100**	**–**
Rexxam Dixon Electronics Private Limited	100	–	–	–	–	–	100	–
Repayment of loan provided	**44**	**–**	**–**	**–**	**–**	**–**	**44**	**–**
Rexxam Dixon Electronics Private Limited	44	–	–	–	–	–	44	–
Bond Given to Custom Department by group	**100**	**–**	**–**	**–**	**–**	**–**	**100**	**–**
Rexxam Dixon Electronics Private Limited	100	–	–	–	–	–	100	–
Director sitting fees	**–**	**–**	**28**	**28**	**–**	**–**	**28**	**28**
Mr. Manuji Zarabi	–	–	8	7	–	–	8	7
Ms. Poornima Shenoy	–	–	4	6	–	–	4	6
Mr. Manoj Maheshwari	–	–	7	7	–	–	7	7
Mr. Keng Tsung Kuo	–	–	5	5	–	–	5	5
Mr. Rakesh Mohan	–	–	4	3	–	–	4	3
Remuneration (including commission)*	**–**	**–**	**2,254**	**1,597**	**–**	**–**	**2,254**	**1,597**
Mr. Sunil Vachani	–	–	897	524	–	–	897	524
Mr. Atul B. Lall*	–	–	884	655	–	–	884	655
Mr. Saurabh Gupta**	–	–	311	277	–	–	311	277
Mr. Prithvi Vachani	–	–	3	4	–	–	3	4
Mr. Ashish Kumar#	–	–	99	86	–	–	99	86
Mr. Manuji Zarabi	–	–	12	12	–	–	12	12
Ms. Poornima Shenoy	–	–	12	12	–	–	12	12
Mr. Manoj Maheshwari	–	–	12	12	–	–	12	12
Mr. Keng Tsung Kuo	–	–	12	12	–	–	12	12
Mr. Rakesh Mohan	–	–	12	3	–	–	12	3
ESOPs	**–**	**–**	**1,138**	**1,545**	**–**	**–**	**1,138**	**1,545**
Mr. Atul B. Lall	–	–	615	615	–	–	615	615
Mr. Saurabh Gupta	–	–	308	548	–	–	308	548
Mr. Ashish Kumar	–	–	215	382	–	–	215	382

* The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 1 lakh (previous year ₹ 1 lakh) and security premium amounting to ₹ 615 lakhs (previous year ₹ 615 lakhs).

** The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 0.4 lakhs (previous year ₹ 2 lakhs) and security premium amounting to ₹ 308 lakhs (previous year ₹ 548 lakhs).

The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 0.28 lakh (previous yaer ₹ 1 lakh) and security premium amounting to ₹ 215 lakhs (previous year ₹ 382 lakhs).

Notes to Consolidated Financial Statements

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50 Related party disclosure (Contd..)

(₹ in Lakhs)

Particulars	Joint Venture Company		KMP and their relatives		Entities over which executive directors or relatives are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
B. Outstanding balances								
Interest accrued but not due	–	**1**	–	**–**	–	**–**	–	**1**
Rexxam Dixon Electronics Private Limited	–	1	–	–	–	–	–	1
Loans	–	**44**	–	**–**	–	**–**	–	**44**
Rexxam Dixon Electronics Private Limited	–	44	–	–	–	–	–	44
Trade Receivables	5,756	**78**	–	**–**	23	**1**	5,779	**79**
Rexxam Dixon Electronics Private Limited	5,680	–	–	–	–	–	5,680	–
AIL Dixon Technologies Private Limited	76	78	–	–	–	–	76	78
Topline Electronics Private Limited	–	–	–	–	23	1	23	1
Investment in equity shares	1,261	**594**	–	**–**	–	**–**	1,261	**594**
Rexxam Dixon Electronics Private Limited	829	594	–	–	–	–	829	594
Califonix Tech and Manufacturing Private Limited	432	–	–	–	–	–	432	–
Advances to Key management Persons	–	**–**	–	**1**	–	**–**	–	**1**
Mr. Prithvi Vachani	–	–	–	1	–	–	–	1
Payable to Key Management Persons	–	**–**	7	**22**	–	**–**	7	**22**
Mr. Ashish Kumar	–	–	–	2	–	–	–	2
Mr. Manoj Maheshwari	–	–	2	3	–	–	2	3
Mr. Manuji Zarabi	–	–	2	3	–	–	2	3
Ms. Poornima Shenoy	–	–	1	3	–	–	1	3
Mr. Rakesh Mohan	–	–	1	2	–	–	1	2
Mr. Keng Tsung Kuo	–	–	1	3	–	–	1	3
Mr. Saurabh Gupta	–	–	–	6	–	–	–	6
Bond Given to Custom Department by group	150	**650**	–	**–**	–	**–**	150	**650**
Rexxam Dixon Electronics Private Limited	100	–	–	–	–	–	100	–
AIL Dixon Technologies Private Limited	50	650	–	–	–	–	50	650

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

51 Composition of Group

The information about the composition of group at the end of reporting year is as follows:

(₹ in Lakhs)

Name of entity	Principal activity	Place of incorporation	Principal place of business	Proportion of ownership interest/ voting rights held by the group	
				As at 31 March, 2023	As at 31 March, 2022
A. Subsidiary Companies					
Dixon Global Private Limited	Trading	Noida, India	Dehradun, India	100%	100%
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
Dixon Electro Appliances Private Limited	Manufacturing	Noida, India	Noida, India	51%	51%
Dixon Electro Manufacturing Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
Dixon Technologies Solutions Private Limited	Manufacturing	Noida, India	Dehradun, India	100%	100%
Dixtel Communications Private Limited	Trading	Noida, India	Noida, India	100%	–
B. Joint controlled Companies					
AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh, India	50%	50%
Rexxam Dixon Electronics Private Limited	Manufacturing	Noida, India	Noida, India	40%	40%
Califonix Tech and Manufacturing Private Limited	Manufacturing	Noida, India	Noida, India	50%	–

52 Additional information as required under schedule III to the Companies Act, 2013 of enterprieses consolidated as subsidiarties/Joint Venture

(₹ in Lakhs)

Name of the Group	Net Assets i.e Total Assets minus total liabilities	Share of profit and loss		Share of OCI		Total Comprehensive Income	
	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
A. Holding Company							
Dixon Technologies (India) Limited	116,640	82%	21,115	39%	(50)	82%	21,065
B. Subsidiary Companies							
Dixon Global Private Limited	1,084	0%	(65)	–	–	0%	(65)
Padget Electronics Private Limited	11,079	14%	3,774	–	–	15%	3,774
Dixon Electro Appliances Private Limited	4,022	0%	(90)	62%	(80)	–1%	(170)
Dixon Electro Manufacturing Private Limited	(21)	0%	(1)	–	–	0%	(1)
Dixon Technologies Solutions Private Limited	(10)	0%	(8)	–	–	0%	(8)
Dixtel Communications Private Limited	10	–	–	–	–	0%	–
C. Joint Venture							
AIL Dixon Technologies Private Limited	3,280	3%	949	–1%	1	3%	950
Rexxam Dixon Electronics Private Limited (Formerly known as Dixon Devices Private Limited)	830	1%	235	–	–	1%	235
Califonix Tech and Manufacturing Private Limited	432	0%	(73)	–	–	0%	(73)
	137,346	**–**	**25,836**	**–**	**(129)**	**–**	**25,707**
Adjustments in consolidation	(8,883)	–	(328)	–	1	–	(327)
	128,463	**100%**	**25,508**	**100%**	**(128)**	**100%**	**25,380**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2023

53 Padget Electronics Private Limited (a subsidiary company) had filed an application with Reserve Bank of India dated 16 March 2020 for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 13,561 Lakhs. Based on the RBI application, the Company has set off the import payable amounting to ₹ 13,435 Lakhs and trade receivables from distributors ₹ 13,354 Lakhs and obsolete inventory of Import Vendors ₹ 81 Lakhs in the financial year 2019-20. The approval from RBI has been received during the year.

54 The Ministry of Electronics and Information Technology (IPHW Division) issued Notification No. W-28/1/2019-IPHW-MeitY dated April 01, 2020 for Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing. Padget Electronics Private Limited (a subsidiary company) filed an application under such a scheme and got approval during FY 2020-2021. Under such a scheme the company gets a certain percentage of their sales of eligible products as incentive and is valid from financial year 2021-2022 to 2025-2026 respectively. As on balance sheet date, the Company has received Incentive till December 2022 and filing for claim for the period January 2023 to March 2023 is in process.

55 The Group has been sanctioned working capital limits in excess of ₹ 500 lakhs in aggregate from Banks/financial institutions on the basis of security of current assets. There were no material differences between the books of accounts and Quarterly returns / statements filed with such Banks/ financial institutions for financial year 2022-2023.

56 The Board of directors approved a Business Transfer Agreement (BTA) between Dixon Electro Appliances Private Limited (the Company) and Beetel Teletech Limited (the Transferor Company), The BTA become effective on the closing of business hours of 21 December, 2021 (the Completion date) upon receipt of the consent of the member of the company.

Pursuant to the said BTA the Company has acquired , all assets and liabilities (including contract from customer) of the Beetel Teletech Limited on a going concern basis by way of slump sale (as defined under Income tax Act, 1961), with effect from the closing of business hours of 21 December 2021. The assets and liabilties were transferred at carrying value as at 21 December, 2021."

The effect of transaction on the accouts of the company as at 21 December 2021 is set out below:

(₹ in Lakhs)

	Particulars	Amount
A	**Assets:**	
	Property Plant and Equipment (less accumulated depreciation)	726
	Security deposit	15
	Inventories	636
	Cash and cash equivalents	–
	Other current assets	25
	Total assets	**1,402**
B	**Liabilities**	
	Trade payables	536
	Other current liabilities	35
	Provisions	449
	Total liabilties	**1,020**
C	**Net asset value (A-B)**	**382**
D	**Customer Contract (See Note 7)**	1,483
E	**Consideration (Purchase price)**	4,080
Goodwill (E-C-D) (See Note 10)		**2,214**

Notes:

i. The title deed to the properties acquired pursuant to the agreement are in the process of being transferred in the name of the Company for which the Company , has estimated and accrued the necessary transfer fee/ stamp duty in these financial statements

ii. Property plant and equipments acquired includes assets which are fully depreciated (having nil written down value as on the completion date).

iii. Customer contract is valued by independent valuer.

iv. Goodwill represents excess of consideration paid over net of asset and liabilties recognised as on the completion date.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

57 Incentive From Production Linked Incentive (PLI) Scheme

Production Linked Incentive (PLI) Scheme To Promote Telecom And Networking Products Manufacturing in India:

The Ministry of Communications issued a gazette Notification No. CG-DL-E-24022021-225442 on 24 February, 2021 to introduce a Production Linked Incentive Scheme (PLI) to encourage the manufacturing of Telecom & Networking products in India. Dixon Electro Appliances Private Limited ('the Company') applied for the scheme on 02 July, 2021 and received approval on 14 Oct, 2021. The scheme is applicable from FY 2021-2022 to FY 2025-2026, and the company is eligible to receive a certain percentage of sales of eligible products as incentives during this period.

In FY 2022-2023, the scheme was revised through an office memorandum dated 20 June, 2022 to introduce a design-led criterion. An additional incentive of 1% was offered to the applicant company, and the company reapplied for the scheme on 25 Aug, 2022. It was granted approval on 31 October, 2022, and opted to forego the scheme benefit for its former application. The new scheme is applicable for the period FY 2022-2023 to FY 2026-2027.

The Company has met the investment and revenue thresholds for the financial year 2022-2023 of ₹ 3,600 lakhs and ₹10,800 lakhs respectively and is eligible to claim incentive from government under the aforesiad scheme."

58 The Board of Directors of the Holding Company have recommended a final dividend of 150% (₹ 3 per Equity Share) for the financial year 2022-2023 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

59 Other Statutory Information

i. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii. The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

iii. The Group do not have any charges or satisfaction which is yet to be registered with ROC.

iv. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

v. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes to Consolidated Financial Statements
for the year ended 31 March, 2023

vii. The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

viii. The Group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

ix. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

x. The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

60 There are no subsequent event observed after the reporting period which have material impact on the Group's operation.

61 Figures for the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

In terms of our report attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Noida
Date: 23 May, 2023

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman and Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 23 May, 2023

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