Dixon Technologies (India) Limited

4th September, 2021

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 28th Annual General Meeting, Notice & Annual Report of the Company for the Financial Year 2020-21

In continuation to the Company's submission dated 2nd September, 2021, we hereby inform that the 28th Annual General Meeting of the Company is scheduled to be held on 28th September, 2021, Tuesday at 11.00 A.M.

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 2020-21 along with Notice of 28th Annual General Meeting, dispatched to the shareholders of the Company on 4th September, 2021.

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 Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive) for taking record of the Members of the Company for the purpose of 28th 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		
21st September, 2021 (Tuesday)	22nd September, 2021 (Wednesday)	28th September, 2021 (Tuesday)	a. For ascertaining shareholders who will be entitled to participate in the AGM through remote e-voting/ voting at the meeting. b. Payment of dividend as may be declared at the AGM.	From 09:00 A.M. on 25th September, 2021 (Saturday) to 05.00 P.M. on 27th September, 2021 (Monday) [both days inclusive]

Dixon Technologies (India) Limited

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

Ashish Kumar
Group Company Secretary, Head – Legal & HR

Encl: as above

Regd. Office: B-14 & 15, Phase-II, Noida-201305, (U.P.) India, Ph.:0120-4737200
E-mail: info@dixoninfo.com • Website: http://www.dixoninfo.com Fax : 0120-4737263
CIN: L32101UP1993PLC066581

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Date: 27th May, 2021

Dear Member,

We are pleased to invite you to attend the 28th Annual General Meeting of the Members of Dixon Technologies (India) Limited to be held on 28th September, 2021, Tuesday at 11.00 A.M. through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facility.

The Notice of the 28th 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 28th 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 Private Limited at 18003094001 or write to them at einward.ris@kfintech.com
4.	Weblink for temporary registration to receive AGM Notice & Credentials for e-voting/AGM	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
5.	Cut-off date for e-voting and Dividend	21st September, 2021 (Tuesday)
6.	Time period for remote e-voting	From 09:00 A.M. on 25th September, 2021 (Saturday) to 05.00 P.M. on 27th September, 2021 (Monday) [both days inclusive]
7.	Registrar and Share Transfer Agent contact details	Mr. B Srinivas, Manager [Unit: Dixon Technologies (India) Limited] KFin Technologies Private Limited E-mail: einward.ris@kfintech.com; evoting@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
Group CS, Head-Legal & HR

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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: http://www.dixoninfo.com, Fax No. 0120-4737263

Notice of Annual General Meeting

NOTICE is hereby given that TWENTY EIGHTH ANNUAL GENERAL MEETING (the "**AGM**") of the members of Dixon Technologies (India) Limited ("**the Company**") will be held on 28th September, 2021, Tuesday at 11.00 A.M. through Video Conferencing/Other Audio Visual Means ("**VC/OAVM**") facility without the physical presence of the Members at a common venue, in compliance with General Circulars issued by Ministry of Corporate Affairs and SEBI to transact the following businesses mentioned below:

A. Ordinary Business

Item No. 1. Adoption of Financial Statements & Reports

To consider and adopt (a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2021 and 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, 2021 and the report of Auditors thereon and in this regard, adopt the following resolutions, with or without modification(s), as Ordinary Resolutions:

(a) "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2021 and the reports of the Auditors and Board of Directors thereon, be and are hereby considered and adopted."

(b) "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2021 and the report of Auditors thereon, be and are hereby considered and adopted."

Item No. 2. Declaration of Dividend

To declare a final dividend of ₹ 1 per equity share for the Financial Year 2020-21.

Rational: With an intention that the members of the Company should also have an access to distributable earnings of the Company, the Company proposes to declare the aforesaid Dividend.

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

"**RESOLVED THAT** a dividend at the rate of ₹ 1/- (Rupee One) per equity share of ₹ 2/- (Rupees Two) each fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2021 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2021."

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, Whole Time Director (Director Identification Number: 00025431) who retires by rotation and being eligible, offers himself for re-appointment.

Rational: Refer the explanation given under Item No: 3 on page No 14.

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

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Article 58 of the Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Sunil Vachani (Director Identification Number: 00025431) as a Director of the Company, who shall continue as Whole Time Director of the Company, to the extent that he is required to retire by rotation."

B. Special Business

Item No. 4. Appointment of Dr. Rakesh Mohan as a Non-Executive and Independent Director of the Company

Rational: Refer the explanation given under Item no. 4 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 Resolutions:

"**RESOLVED THAT** Dr. Rakesh Mohan (Director Identification Number: 02790744), who was appointed as an Additional Director in the capacity of Non-Executive and Independent Director of the Company with effect from 2nd February, 2021 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the 'Act') and who is eligible for appointment be and is hereby appointed as a Non-Executive and Independent Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and in terms of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015 ("SEBI Listing Regulations"), as amended from time to time, and pursuant to recommendation of Nomination and Remuneration Committee, Dr. Rakesh Mohan (Director Identification Number: 02790744), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as Non-Executive and Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 2nd February, 2021 till 1st February, 2026.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI Listing Regulations and the applicable provisions of the Act and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), approval of the members of the Company be and is hereby accorded for continuation of office of Dr. Rakesh Mohan (Director Identification Number: 02790744) as a 'Non-Executive Independent Director' of the Company beyond the age of 75 years, during his aforesaid term."

Item No. 5. Re-appointment of Mr. Sunil Vachani (DIN: 00025431) as Whole Time Director of the Company

Rational: Refer the explanation given under Item no. 5 on page no. 14.

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

"**RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration committee of the Board and approval of the Board and subject to provisions of sections 152, 196, 197 198, 203 read with schedule V and other applicable provisions of the Companies Act, 2013 (the 'Act') and the rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, the relevant provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Sunil Vachani (DIN: 00025431) as Whole time Director of the Company for a period of five (5) consecutive years with effect from 5th May, 2022 and upto 4th May, 2027, as per the terms and conditions including remuneration which shall be payable within the limits prescribed under Section 197 read with schedule V and other applicable provisions of the Act, as amended from time to time, and as detailed in the explanatory statement attached hereto, or such terms and conditions including remuneration as may be determined by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) with further liberty to the Board to alter the said terms and conditions of re-appointment and remuneration from time to time subject to limits as prescribed under section 197 read with schedule V and the said limits shall be based on the net profit which shall be calculated as per section 198 of the Act, as amended or applicable from time to time.

RESOLVED FURTHER THAT pursuant to section 152 of the Act read with applicable rules thereon, the office of Mr. Sunil Vachani shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of the Company (which term shall be deemed to include any Committee constituted / to be constituted by the Board) be and are hereby authorized to do all such acts, things and deeds required in this regard and matters incidental thereto on behalf of the Company."

Item No. 6. Re-appointment of Mr. Atul B. Lall as Managing Director of the Company

Rational: Refer the explanation given under Item no. 6 on page no. 15

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

"**RESOLVED THAT** pursuant to recommendation of Nomination and remuneration committee of the Board and approval of the Board and subject to provisions of sections 196, 197 198, 203 read with schedule V and other applicable provisions of the Companies Act, 2013 (the 'Act') and the rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, the relevant provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded for the re-appointment of Mr. Atul B. Lall (Director Identification Number: 00781436) as Managing Director of the Company for a period of five (5) consecutive years with effect from 5th May, 2022 upto 4th May, 2027, as per the terms and conditions including remuneration which may exceed 5% of the net profits of the Company, computed in accordance with Section 198 of the Act as amended or applicable from time to time, and as detailed in the explanatory statement attached hereto, with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) to alter the said terms and conditions of re-appointment and remuneration from time to time in accordance with the approval of the members of the Company.

RESOLVED FURTHER THAT pursuant to section 152 of the Act read with applicable rules thereon, the office of Mr. Atul B. Lall shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of the Company (which term shall be deemed to include any Committee constituted / to be constituted by the Board) be and are hereby authorized to do all such acts, things and deeds required in this regard and matters incidental thereto on behalf of the Company."

Item No. 7. Increase in the limit of managerial remuneration payable to Mr. Atul B. Lall

Rational: Refer the explanation given under Item no. 7 on page no. 16

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

"**RESOLVED THAT** pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Act and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the relevant provisions of the Articles of Association of the Company and such other rules, regulations and guidelines as may be applicable from time to time, pursuant to special resolution passed by the shareholders of the Company at their Annual General Meeting held on 29th September, 2020, approving Dixon Technologies (India) Limited - Employee Stock Option plan, 2020 ("DIXON ESOP 2020") and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Atul B. Lall (DIN: 00781436), Managing Director, in excess of limits specified under proviso 1 & 2 of Section 197(1) of the Act payable w.e.f. Financial Year 2021-2022 including subsequent term for which he may be appointed from time to time by the members.

RESOLVED FURTHER THAT the Board of the Company (which term shall be deemed to include any Committee constituted / to be constituted by the Board) be and are hereby authorized to do all such acts, things and deeds required in this regard and matters incidental thereto on behalf of the Company."

Item No. 8. 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. 8 on page no. 17

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 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), ratification accorded by the members at the 27th Annual General Meeting of the Company held on 29th September, 2020, the remuneration payable to M/s. Satija & Co., Cost Accountants, Cost Auditors of ₹ 3.75 Lakhs per annum plus applicable taxes and reimbursement of out of pocket expenses, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2021 and 31st March, 2022, as approved by the Board of Directors, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of the Company (which term shall be deemed to include any Committee constituted / to be constituted by the Board) be and are hereby authorized to do all such acts, things and deeds required in this regard and matters incidental thereto on behalf of the Company."

Item No. 9. 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

Rational: Refer the explanation given under item no. 9 on page no. 17

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

"**RESOLVED THAT** pursuant to Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("Companies Act") and in accordance with the provisions of the memorandum of association and articles of association of Dixon Technologies (India) Limited (the "Company"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of face value of ₹ 2/- of the Company are listed ("Stock Exchanges"), and such equity shares, (the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India ("GoI"), Ministry of Corporate Affairs ("MCA"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and / or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GoI, or any other concerned statutory / regulatory authority, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the board of directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including Equity Shares, fully / partly convertible debentures, non-convertible debentures, foreign currency convertible bonds, warrants (collectively, the "Securities"), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the SEBI ICDR Regulations ("QIBs") / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, with or without a green shoe option, to raise funds for an aggregate consideration of up to ₹ 500,00,00,000 only (Rupees Five hundred crores only) (the "Issue"), through a public issue, preferential allotment or a private placement (including one or more qualified institutions placements ("QIP") in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be subscribed to in Indian and / or any foreign currency by all eligible investors, through the issuance of an offer document / letter / circular / placement document, as permitted under applicable laws and regulations, at such price (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities shall be made to the exclusion of others (including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company); making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different securities; face value; number of securities / Equity Shares to be issued and allotted on conversion / redemption / extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date; and / or book closure dates subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIP in terms of the SEBI ICDR Regulations:

i. the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution by the members of the Company;

ii. the Equity Shares to be offered, issued, and allotted shall be subject to the provisions of the memorandum of association and articles of association of the Company and shall rank pari passu in all respects with the existing Equity Shares;

iii. no partly paid-up Equity Shares or other Securities shall be issued / allotted;

iv. the issuance of the Securities by way of the QIP shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI ICDR Regulations ("QIP Floor Price"), and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, the Board, at its absolute discretion, may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the QIP Floor Price;

v. no single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and

vi. the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

RESOLVED FURTHER THAT, without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed to.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:

a) offer, issue and allot all / any of the Securities, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion;

b) determining the terms and conditions of the issuance, including among other things, (i) terms for issuance of additional Securities and for disposal of Securities which are not subscribed to by issuing them to banks / financial institutions / mutual funds or otherwise, (ii) terms as are provided in domestic offerings of this nature, and (iii) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and / or finalizing the objects of the issuance and the monitoring of the same;

c) approve, finalise, and execute any preliminary as well as final offer document (including, among other things, any draft offer document, offering circular, registration statement, prospectus, placement document, private placement offer letter, letter of offer, and / or other letter or circular), and to approve and finalise any bid cum application form, abridged letter of offer, notices, including any advertisements and other documents or any term sheets or any other ancillary documents in this regard;

d) decide the form, terms and timing of the issue(s) / offering(s), Securities to be issued and allotted, class of investors to whom Securities are to be offered, issued and allotted, number of Equity Shares to be issued and allotted in each tranche;

e) issue and allot such number of Equity Shares, as may be required to be issued and allotted, upon conversion of any Securities, or as may be necessary in accordance with the terms of the issuance all such Equity Shares ranking pari passu with the existing Equity Shares in all respects;

f) approve, finalise, execute, and amend agreements and documents, including, any number of powers of attorney, lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and / or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s) / merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other expenses in connection therewith;

g) provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;

h) seek any consents and approvals, including, among others, the consent from the Company's lenders, customers, vendors, parties with whom the Company has entered into agreements, and from concerned statutory and regulatory authorities;

i) file requisite documents with the SEBI, Stock Exchanges, the GoI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;

j) seeking the listing of the Securities on any stock exchange(s), submitting the listing application to such stock exchange(s) and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);

k) open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board;

l) approving the issue price and finalize allocation and the basis of allotment of the Securities on the basis of the bids / applications and oversubscription thereof as received, where applicable;

m) acceptance and appropriation of the proceeds of the issue of the Securities;

n) affix the common seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of any one or more of the directors of the Company or any one or more of the officers of the Company in accordance with the provisions of Companies Act, 2013 read with memorandum of association and articles of association of the Company;

o) further authorise and empower any committee and / or director(s) and / or officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the committee / director(s) / officer(s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Securities, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the committee / director(s) / officer(s) shall be conclusive evidence of the authority of the committee / director(s) / officer(s) and the Company in doing so; and

p) do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions and the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

NOTES:-

1 In view of the continuing restrictions on the movement of people at several places in the country, due to the outbreak of COVID-19, 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 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 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**"), the 28th Annual General Meeting ("**AGM**") of the Company is being conducted 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 appointed KFin Technologies Private 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 28th 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, Certificate from Statutory Auditors of the Company with respect to Dixon Technologies (India) Limited – Employees Stock Option Plan, 2018 and Dixon Technologies (India) Limited - Employee Stock Option plan, 2020 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.

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 28th 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 22nd September, 2021 till 28th September, 2021 for the purpose of payment of final dividend for the financial year ended on 31st March, 2021 and the Annual General meeting. 21st September, 2021 (Tuesday) 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 21st September, 2021. The Final dividend, as proposed, is ₹ 1 per equity share having face value of ₹ 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 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 Private 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. Members holding shares in demat may contact their Depository Participant to update their email address and bank account details.

13 In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019 except in case of transmission or transposition of securities. In view of the above, members holding shares in physical form are advised to dematerialize the shares with their Depository Participant.

14 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.

15 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 28th 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.

16 Attendance of the Members participating in the 28th 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.

17 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 27th August, 2021, the (Record Date). Any person who acquires shares of the Company and becomes Member of the Company after 27th August, 2021, 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. 21st September, 2021 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.

18 The Notice of the 28th 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/.

19 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. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

ii. Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, are requested to visit the website of Kfin Technologies Private Limited https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx for temporary registration of email id of shareholders for 28th e-AGM and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions.

iii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

20 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 Private 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. Shareholders 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 25th September, 2021 (Saturday)

B) End of remote e-voting - 05.00 P.M. on 27th September, 2021 (Monday)

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 at evoting@Kfintech.com. However, if he / she is already registered with KFin Technologies Private 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

Type of shareholders	Login Method
	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/myeasi/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/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 **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://emeetings.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 aga in 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. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, 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.

iii. 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 25th Sep, 2021 (09:00 a.m.) upto 27th Sep, 2021 (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 25th September, 2021 (09:00 a.m.) to 27th September, 2021 (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 Srinivas , 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 21st September, 2021, 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

21 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.

22 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 forthwith not later than 48 hours of conclusion of the AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

23 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 Private 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
Group CS, Head-Legal & HR
M.No- F8355

Dated: 27th May, 2021
Address-B-14 & 15,
Phase-II, Noida-201305

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

Item No. 3

Mr. Sunil Vachani

Mr. Sunil Vachani (DIN: 00025431) is the Whole Time Director of the Company. He was inducted on 15th January, 1993 as a member of the Board. At the Extra-Ordinary General Meeting held on 5th May, 2017, he was appointed as Whole Time Director of the Company for a term of 5 years. He is Promoter of the Company and presently appointed as Executive Chairman of the Board by the Board of Directors. He has nearly three decades of experience in the Electronic Manufacturing Services (EMS) industry and has been awarded the 'Man of Electronics' by CEAMA in the past.

Additional Information on Director recommended for appointment/re-appointment as required under Regulation 36 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.

Mr. Sunil Vachani is interested in this resolution and relatives of Mr. Sunil Vachani may be deemed to be interested in this resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the said resolution.

Item No. 4

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, have appointed Dr. Rakesh Mohan as an Additional Director of the Company in capacity of Non-Executive & Independent Director with effect from 2nd February, 2021 for a term of 5 (five) consecutive years, subject to approval by the Members of the Company at the General Meeting. Terms of the Appointment of Independent Directors of the Company are available on the website of the Company at www.dixoninfo.com. The Company has received from Dr. Mohan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 ("Act"); (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Dr. Rakesh Mohan for appointment as a Non – Executive and Independent Director. In the opinion of the Board, Dr. Rakesh Mohan fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

At the 25th AGM of the Company held on 25th July, 2018, the members approved that the total commission/remuneration payable to the Non-executive/ Independent Directors per annum shall not exceed one percent (or such higher limits as may be prescribed under Companies Act, 2013 by way of amendment or re-enactment thereof) of the net profits of the Company for that year as computed in the manner specified under Section 198 of the Act, with authority to the Board to determine the manner, proportion in which the amount be distributed among Non- Executive/ Independent Directors. The Non- Executive & Independent Director of the Company shall be paid remuneration, from time to time, in accordance with the said member's approval along with sitting fees as prescribed by the provisions of Section 197.

Additional Information on Director recommended for appointment/re-appointment as required under Regulation 36 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.

Further, pursuant to SEBI notification dated 9th May, 2018 no company shall appoint or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Dr. Mohan will complete 75 years on 14th January, 2023 and thereafter his continuation on the Board of the Company shall require approval of the members.

Considering Dr. Mohan's rich and considerable experience in central banking, monetary policy, infrastructure and urban affairs, the Board considers that Dr. Mohan's association would be of immense benefit to the Company. Accordingly, the Board recommends the resolution(s) in relation to appointment of Dr. Rakesh Mohan as Non-Executive and Independent Director, for approval by the members of the Company

Except Dr. Rakesh Mohan, none of the Directors or 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. 4 be passed in the interest of your Company.

Item No. 5

Mr. Sunil Vachani (Director Identification number- 00025431) was re-appointed as Whole-time director of the Company at the Extra Ordinary General meeting of the Company held on 5th May, 2017 for a period of consecutive 5 years. His present term is due for renewal on 4th May, 2022.

Mr. Sunil Vachani has been associated with the Company since its inception i.e. 15th January, 1993 and is presently designated by the Board as Executive Chairman. In his able leadership, your Company has been one of the leading Companies of India in the EMS industry. The present term of Mr. Vachani is expiring on 4th May, 2022 and being eligible under Section 196, 197 read with Schedule V, it would be appropriate to re-appoint Mr. Vachani for a period of 5 consecutive years w.e.f. 5th May, 2022. Therefore, the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration committee of the Board, has recommended to re-appoint Mr. Sunil Vachani as Whole time Director of the Company for a period of five consecutive years w.e.f. 05th May, 2022.

Additional Information on Director recommended for appointment/re-appointment as required under Regulation 36 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.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The terms of appointment including remuneration and perquisites, in addition to the applicable policies of the company, are given below, with such revision as the Board/ Nomination & Remuneration Committee of the Board may sanction from time to time:

Particulars	Terms of remuneration (Per month)
Basic Salary	₹ 8,72,013/-
HRA	75% of Basic Salary
Commission	Not more than 2 (Two) percent of the net profit of the Company computed in the manner laid down in section 198 of the Companies Act, 2013.
Leave travel concession	One month Basic salary
Special allowance	₹ 87,930/-
Conveyance Allowance	₹ 30,380/-
Other Allowance	₹ 2,00,000/-
Income from Associate Companies or subsidiary Companies, subject to revision by their board.	₹ 2,00,000/-

Other Condition:

1 Contribution towards Provident Fund, Superannuation Fund, Annuity Fund, National Pension Scheme shall be as per the policy of the Company.

2 Gratuity and/or contribution to the Gratuity Fund of Company shall be as per the policy of the Company or as per applicable law.

3 Other perquisites- such other perquisites and allowances as per the policy / rules of the Company in force and/ or as may be approved by the Board from time to time.

4 Reimbursement of all actual expenses or charges incurred by Mr. Vachani for and on behalf of the Company in furtherance of its business or objectives.

Explanation:

a. For the purpose of leave travel concession and medical expenses, it includes family of Mr. Sunil Vachani which comprises of spouse and children of Mr. Vachani.

b. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

c. The aforesaid remuneration payable to Mr. Sunil Vachani can be revised from time to time based on the limits specified in section 197 read with schedule V of the Companies Act, 2013 as amended during the term of his tenure.

Except Mr. Sunil Vachani and his relatives to the extent of their shareholding in the Company, none of the Directors or 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.

Item No. 6

Mr. Atul B. Lall (DIN - 00781436) was re-appointed as Managing director of the Company at the Extra Ordinary General meeting of the Company held on 5th May, 2017 for a period of consecutive 5 years. His present term is due for renewal on 4th May, 2022.

Mr. Atul B. Lall has been associated with the Company since its inception and is presently designated by the Board as Vice Chairman and Managing Director. In his able leadership, your Company has been one of the leading Companies of India in the EMS industry. The present term of Mr. Lall is expiring on 4th May, 2022 and being eligible under Section 196, 197 read with Schedule V, it would be appropriate to re-appoint Mr. Lall for a period of 5 consecutive years w.e.f. 5th May, 2022. Therefore, the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration committee of the Board, has recommended to re-appoint Mr. Atul B. Lall as Managing Director of the Company for a period of five consecutive years w.e.f 05th May, 2022.

Additional Information on Director recommended for appointment/re-appointment as required under Regulation 36 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.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The terms of appointment including remuneration and perquisites, in addition to the applicable policies of the company, are given below, with such revision as the Board/ Nomination & Remuneration Committee of the Board may sanction from time to time:

Particulars	Terms of remuneration (Per month)
Basic Salary	₹ 9,00,000/-
HRA	75% of Basic Salary
Commission	Not more than 2 (Two) percent of the net profit of the Company computed in the manner laid down in section 198 of the Companies Act, 2013.
Leave travel concession	One month Basic salary

Particulars	Terms of remuneration (Per month)
Special allowance	₹ 90,000/-
Conveyance Allowance	₹ 1,68,667/-
Other Allowance	Nil
Income from Associate Companies or subsidiary Companies, subject to revision by their board.	₹ 1,00,000/-
Employee Stock Options	Refer Annexure-II of Director's Report forming part of Annual Report

Other Condition:

1 Contribution towards Provident Fund, Superannuation Fund, Annuity Fund, National Pension Scheme shall be as per the policy of the Company.

2 Gratuity and/or contribution to the Gratuity Fund of Company shall be as per the policy of the Company or as per applicable law.

3 Other perquisites- such other perquisites and allowances as per the policy / rules of the Company in force and/ or as may be approved by the Board from time to time.

4 Reimbursement of all actual expenses or charges incurred by Mr. Lall for and on behalf of the Company in furtherance of its business or objectives.

Explanation:

a. For the purpose of leave travel concession and medical expenses, it includes family of Mr. Atul B. Lall which comprises of spouse and children of Mr. Lall.

b. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

c. The aforesaid remuneration payable to Mr. Atul B. Lall can be revised from time to time by the Board of Directors or its Committee based on the approval of members.

Except Mr. Atul B. Lall, none of the Directors or 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. 6 be passed in the interest of your Company.

Item No. 7

Pursuant to the special resolution passed by the members of the Company at their Annual General Meeting held on 29th September, 2020, and pursuant to recommendation of Nomination and Remuneration Committee, the Board, at its meeting held on 30th October,2020, had granted employee stock options pursuant to Dixon Technologies (India) Limited - Employee Stock Option plan, 2020 ("DIXON ESOP 2020") to Mr. Atul B. Lall, Managing Director of the Company. The perquisite value of the stock options as may be exercised by the Managing Director in any Financial Year becomes part of his total remuneration of that Financial year. Consequent to the exercise of the options granted to Mr. Lall, and/or consequent to any approval of the Board his overall remuneration may exceed the limits specified under Section 197 of the Companies Act, 2013 (the 'Act'). Details of options granted to Mr. Lall during the FY is provided in Annexure-II of Director's Report forming part of Annual Report.

Other relevant information:

I. General information:

(1) Nature of industry: Electronic Manufacturing Services

(2) Date or expected date of commencement of commercial production: since 1994

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial performance based on given indicators:

Particulars	2020-21 (Amount in Lacs)
Revenue form Operations	₹ 5,67,460.15
Profit Before Tax	₹ 20,616.10

Particulars	2020-21 (Amount in Lacs)
Profit for the year	₹ 15,197.20
Earnings per Share	Basic EPS: ₹ 26.14 Diluted EPS: ₹ 25.56
Dividend	Re 1 per equity Share (Proposed)

(5) Foreign investments or collaborations, if any: NIL

II. Information about the appointee:

(1) Background details: Refer Annexure-A

(2) Past remuneration: Refer the Corporate Governance Report, forming part of the Annual Report.

(3) Recognition or awards: He has served as a member of the Technical Evaluation Committee for Electronic Manufacturing Services under M-SIPS (Electronic Manufacturing Services-EMS) constituted by the DeitY and served as a representative of ELCINA on the Committee for Reliability of Electronic and Electrical Components and Equipment (LITD. 02) of the BIS.

(4) Job profile and his suitability: Atul B. Lall, is the Managing Director of our Company. He holds a master's degree in management studies from the Birla Institute of Technology and Science, Pilani. He has been associated with our Company since its incorporation. He is responsible for our Company's overall business operations. He has 3 decades of experience in the EMS industry.

(5) Remuneration proposed: As detailed in Explanatory Statement to Item no 6.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Owing to the nature of role and responsibilities, comparative details of remuneration are not available.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.: Mr. Atul B Lall is not related to any Managerial Personnel. His pecuniary relationship with the Company is limited to his employment as Managing Director and shareholder of the Company.

III. Other information:

(1) Loss or inadequate profits, and reasons thereof: Not Applicable.

(2) Steps taken or proposed to be taken for improvement: Not Applicable.

(3) Expected increase in productivity and profits in measurable terms: Not Applicable

Except Mr. Atul B. Lall, no Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution relating to appointment of Mr. Atul B. Lall.

The Board of Directors of your Company recommends that the Resolution under Item No. 7 be passed in the interest of your Company.

Item No. 8

At the 27th Annual General Meeting of the Company held on 29th September, 2020, the members had ratified the remuneration payable to M/s. A. N. Satija & Co, Cost Auditors of the Company for conduction of cost audit for the Financial year 2020-21. The said remuneration was fixed at ₹ 3.75 Lakhs per annum plus applicable taxes and reimbursement of out-of-pocket expenses. However, due to sudden demise of Mr. A. N. Satija, proprietor of M/s. A. N. Satija & Co, the Board at its meeting held on 27th May, 2021, pursuant to recommendation of audit committee, had approved appointment of M/s Satija & Co., Cost Accountants to conduct audit of cost records of the Company for FY 2020-21 and FY 2021-22. The proprietor of M/s Satija & Co., Cost Accountants is Ms. Deepika Satija, who is cost accountant and daughter of late Mr. A. N. Satija.

Also, 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, 2021 and 31st March, 2022, be fixed at ₹ 3.75 Lakhs per annum plus applicable taxes and reimbursement of out-of-pocket expenses. 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 or 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. 8 be passed in the interest of your Company.

Item No. 9

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic expansion and achieving inorganic growth. Towards this, the Company continues to require capital for achieving such growth and expansion. Accordingly, subject to compliance with applicable law, the Company proposes to raise capital for the purposes of funding the long term growth of its existing businesses; making strategic acquisitions; financing other long term capital, working capital, and general corporate requirements; pre-payment and / or repayment of loans; and / or any other purposes, as may be permissible under applicable law and approved by the board of directors of the Company.

In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including equity shares, fully / partly convertible debentures, non-convertible debentures, foreign currency convertible bonds, warrants (collectively, the "Securities"), or any combination of Securities, for an aggregate consideration of up to ₹ 500,00,00,000 only (Rupees Five hundred crores only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non—resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations, and the qualified institutional buyers, the "QIBs") / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, with or without a green shoe option, through a public issue, preferential allotment, or a private placement (including one or more qualified institutions placements ("QIP") in accordance with the applicable provisions of the Companies Act (as defined hereinafter) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("Companies Act") and in accordance with the provisions of the memorandum of association and articles of association of the Company, the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of face value of ₹ 2 of the Company are listed ("Stock Exchanges", and such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the board of directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this resolution), at its meeting held on 27th May, 2021, subject to the approval of the members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary).

The resolution proposed is an enabling resolution and the exact price, proportion, and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the issuance of Securities will be decided by the Board, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager(s) and / or other advisor(s) appointed in relation to the issuance of Securities and such other authorities and agencies as may be required to be consulted by the Company. Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottees, percentage of their post – issue shareholding and the shareholding pattern of the Company are not provided. Accordingly, the Board may, in its discretion, adopt one or more of the mechanisms for raising of funds to meet the objectives as stated in the paragraphs above without the need for fresh approval from the members of the Company. The proposal, therefore, seeks to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of the issuance.

The relevant date for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the special resolution by the members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and shall rank, in all respects, pari passu with the existing Equity Shares of the Company.

The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. The resolution enables the Board, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the price determined in accordance with the SEBI ICDR Regulations.

The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the special resolution, as set out in item no. 9 of this notice, without the need for any fresh approval from the members of the Company in this regard.

None of the directors or key managerial personnel(s) of the Company, or their respective relatives, are in any way, concerned or interested either financially or otherwise, in said resolution.

The Board of Directors of your Company recommends that the resolution under item no. 9 be passed in the interest of your Company.

By Order of the Board of Directors
For **Dixon Technologies (India) Limited**

Sd/-
Ashish Kumar
Group CS, Head-Legal & HR
M.No- F8355

Dated: 27th May, 2021
Address-B-14 & 15,
Phase-II, Noida-201305

Annexure-A

Particulars	Mr. Sunil Vachani	Mr. Atul B. Lall	Dr. Rakesh Mohan
Date of Birth and Age	27th November, 1968 and 52 years	5th January, 1962 and 59 years	14th January, 1948 and 73 years
Nationality	Indian	Indian	Indian
Qualifications	Degree of Associate of Applied Arts in Business Administration from the American College in London	Master's Degree in Management Studies from the Birla Institute of Technology and Science, Pilani	• BSc (Eng) from Imperial College of Science and Technology, University of London (1969), • BA from Yale University (1971) • MA and Ph.D. in economics from Princeton University
Experience & Expertise	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).	Mr. Atul B. Lall has been associated with the Company since inception. As Vice Chairman & Managing Director of the Company, he is responsible for Company's overall business operations. With nearly three decades of experience in the EMS industry, he has served as a member of the Technical Evaluation Committee for Electronic Manufacturing Services under M-SIPS (Electronic Manufacturing Services- EMS) constituted by the DeitY and served as a representative of ELCINA on the Committee for Reliability of Electronic and Electrical Components and Equipment (LITD. 02) of the BIS. He has also authored the book, 'Gita and India Inc.'	Dr. Rakesh Mohan is President and Distinguished Fellow of the Centre for Social and Economic Progress (CSEP), New Delhi, India, formerly Brookings India. He was most recently Senior Fellow in the Jackson Institute for Global Affairs, Yale University and was earlier Professor in the Practice of International Economics and Finance at the School of Management at Yale University, 2010-12. He has also served as Distinguished Consulting Professor at Stanford University in 2009. He was closely associated with the Indian economic reforms process from the late 1980s onwards. He was Executive Director on the Board of the International Monetary Fund, Deputy Governor of the Reserve Bank of India, Secretary, Economic Affairs, and Chief Economic Adviser of the Indian Ministry of Finance, and Economic Adviser in the Ministry of Industry. He was also Chairman of Government committees that produced influential reports on infrastructure: The India Infrastructure Report (1996), The Indian Railways Report (2001) and The India Transport Report (2014). He has authored three books on urban economics and urban development; and two on monetary policy. His most recent book (edited) is 'India Transformed: 25 Years of Economic Reforms'.

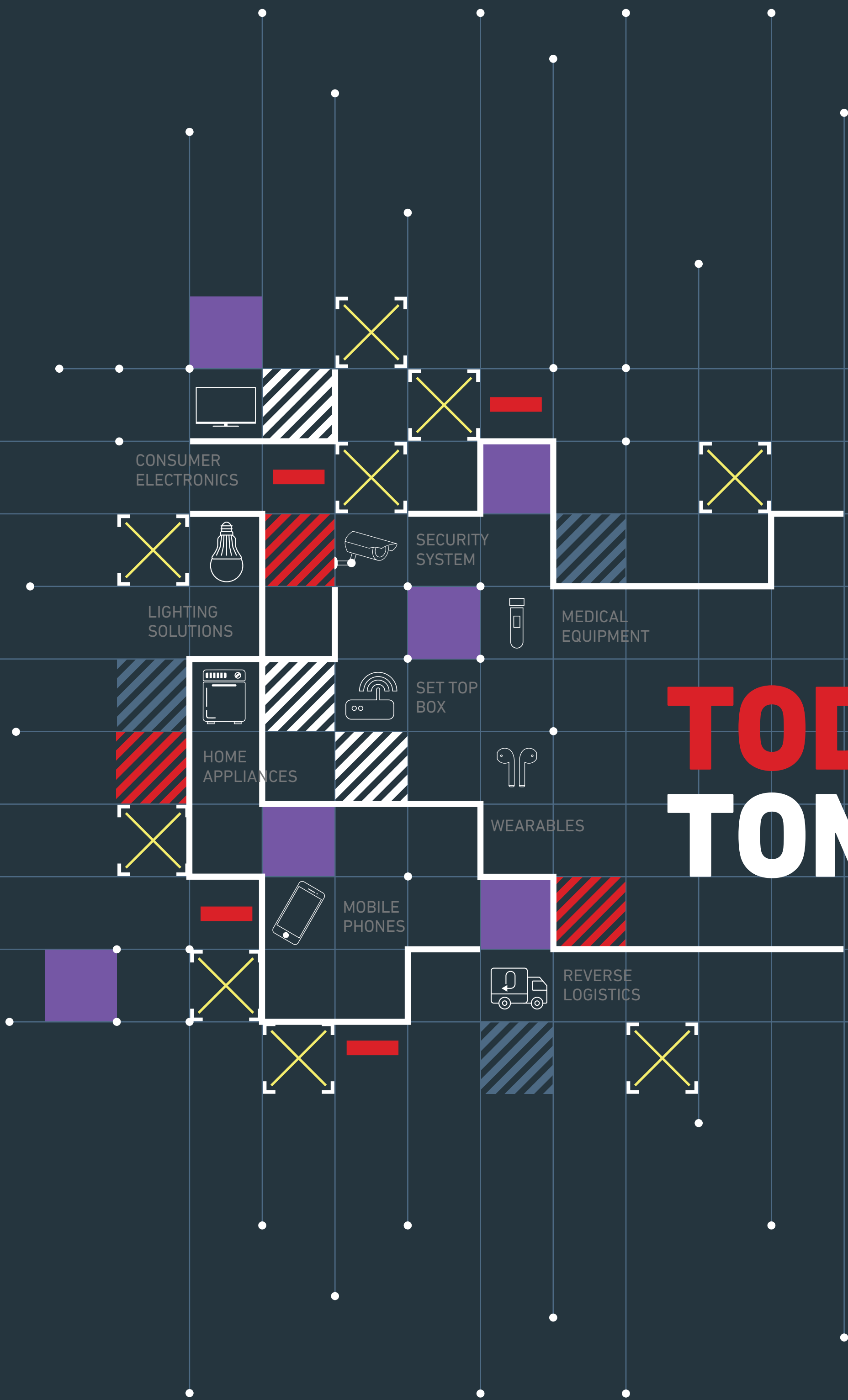
Particulars	Mr. Sunil Vachani	Mr. Atul B. Lall	Dr. Rakesh Mohan
Terms and conditions of appointment or re-appointment	Pursuant to the approval of the members at the 28th Annual General Meeting, Mr. Sunil Vachani will be re-appointed as Whole Time Director for a period of 5 years, liable to retire by rotation. For further details please refer to the explanatory statement provided for item number 5.	Pursuant to the approval of the members at the 28th Annual General Meeting, Mr. Atul B. Lall will be re-appointed as Managing Director for a period of 5 years, liable to retire by rotation. For further details please refer to the explanatory statement provided for item number 6.	Pursuant to the approval of the members at the 28th Annual General Meeting, Dr. Rakesh Mohan will be appointed as a Non-Executive and Independent Director, for a period of 5 years, not liable to retire by rotation. For further details please refer to the explanatory statement provided for item number 4.
Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Please refer to the explanatory statement provided for item number 5. Also, for the remuneration last drawn by the director, please refer the Corporate Governance Report, forming part of the Annual Report.	Please refer to the explanatory statement provided for item number 6&7. Also, for the remuneration last drawn by the director, please refer the Corporate Governance Report, forming part of the Annual Report.	Please refer to the explanatory statement provided for item number 4. Also, for the remuneration last drawn by the director, please refer the Corporate Governance Report, forming part of the Annual Report.
Date of first appointment on the Board	15th January, 1993	30th June, 2000	2nd February, 2021
Shareholding in the company as on 31st March, 2021	1,98,09,520 In percentage- 33.82%	20,78,335 In percentage- 3.55%	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	1 (Refer Note 1)
Other Directorships	1. Padget Electronics Private Limited 2. AIL Dixon Technologies Private Limited 3. Dixon Electro Appliances Private Limited 4. Dixon Electro Manufacturing Private Limited 5. Dixon Technologies Solutions Private Limited 6. Dixon Devices Private Limited	1. Padget Electronics Pvt. Ltd. 2. Dixon Electro Appliances Private Limited 3. Dixon Electro Manufacturing Private Limited 4. Dixon Technologies Solutions Private Limited 5. Dixon Devices Private Limited	1. Kirloskar Brothers Limited 2. CSEP Research Foundation 3. The Mahindra United World College of India
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2021 (Refer Note 2)	Nil	Nil	2

Note. 1 Dr. Rakesh Mohan has been appointed as an additional director in the capacity of Non Executive and Independent Director with effect from 2nd February, 2021

Note 2: 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



ENDURING EXCELLENCE - TODAY & TOMORROW

ANNUAL REPORT
2020-21

Dixon Technologies (India) Ltd.

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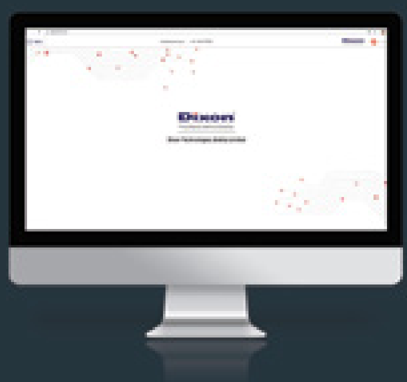
For more information, please visit our corporate website:

https://www.dixoninfo.com/



KEY HIGHLIGHTS FOR FY 2020-21

46%

YoY growth in Revenue

26%

YoY growth in EBITDA

33%

YoY growth in PAT

36%

YoY growth in Net Worth

₹21,508 Crore

Market Capitalization as on 31st March 2021

173rd

Rank among top 500 companies based on market capitalisation as on 31st March 2021

ENDURING EXCELLENCE - TODAY & TOMORROW

Going beyond the ordinary, we seek to unearth extraordinary possibilities.

It is this zeal and indomitable spirit that guides us to lay the trajectory for sustainable growth. Over the past year, we have experienced phenomenal highs, relished in the glory of success and achieved seemingly impossible targets.

What led us on, was our vision to foster steady and progressive transformations. In a challenging environment, we remained buoyed by our strong associations with big brands and our foray into new and emerging segments. We realised the necessity to capitalise on every opportunity on our path and continued to sustain a healthy momentum. From enhancing our capacity to expanding our global footprint, we are exploring ambitious pathways to endure excellence – today and tomorrow.

WHO WE ARE

A home-grown manufacturing company, Dixon Technologies (India) Limited is a leading electronic manufacturing services (EMS) provider with a diversified portfolio across consumer electronics, home appliances, mobile phones, lighting solutions, security devices, Set top boxes, Medical equipment, wearables and reverse logistics.

We offer innovative and cost-effective solutions to our marquee clients, including leading international and national brands, serving as both Original Equipment Manufacturer (OEM) as well as Original Design Manufacturer (ODM) for various companies. We are well positioned to meet the dynamic demands of our customers, focusing on delivering technologically advanced and design-oriented solutions through our cutting-edge manufacturing capacities and robust Research and Development (R&D) capabilities.

16

Manufacturing Units across India

1934

Employees as on March 31, 2021 (on roll)

₹6,448 Crore

Revenue from operations in FY 2020-21

Our manufacturing facilities have been accredited with

ISO 9001:2015, ISO 14001:2015 & 45001:2018

Led by Our Vision

To be the most preferred & trusted manufacturing & solution partner to brands operating across verticals.

Reinforcing Our

Mission

with a strong emphasis on the following:

Respect for the Individual

Emphasis on associate dignity, equality and individual growth.

Quality

Execute with excellence; drive to six-sigma capability in all key processes; exceed customer expectations.

Customer First

Strengthen customer partnerships by providing products and services of the greatest value through innovation and excellence.

Supplier Partnerships

Emphasize communication, training, measurement and recognition.

Creating value for all Stakeholders

Through sustainable and transparent business practices

Business Ethics

Conduct business with uncompromising integrity.

Social Responsibility

Be an asset to the community

Fortifying our

Values

At Dixon, we believe in our values and aim to focus on:

Quality (Customer's trust)

Offering innovative products and services that meet customer expectation.

Trust (nurturing relationships)

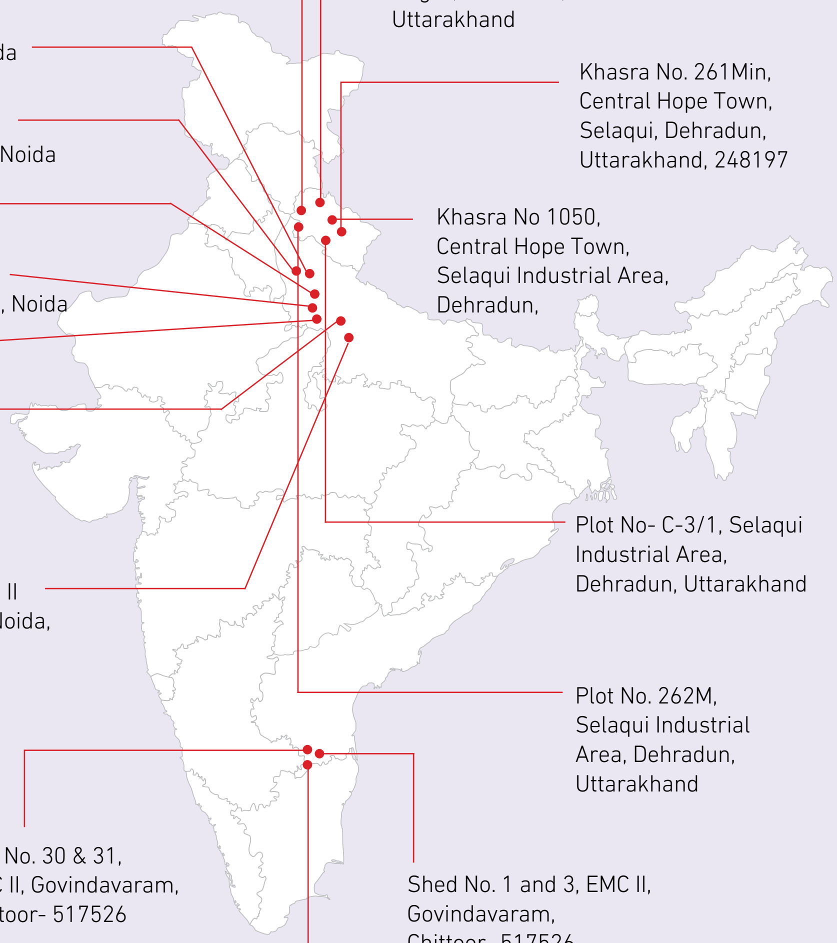
Laying the foundation for a trust-based and long-term relationship with each and every customer.

Passion (to innovate and excel)

The constant desire to come up with something bigger and better every time.

WHO WE ARE

Our Presence



Our Growth Story

26.7%
5-year CAGR growth in Revenue

32.8%
5-year CAGR growth in EBITDA

35.4%
5-year CAGR growth in PAT

Our consistent and robust revenue growth is organically driven with new product introduction and superior quality products.

Most preferred brand behind leading consumer brands

Our innovative spirit and our desire to create differentiated products enable us to provide customers best-in class, scalable and cost-effective solutions, utilising next-gen technology.

A resilient business model that is future-ready

"Do the Right Thing" has been our mantra for nearly three decades of our existence. We have built long-term relations with customers by focusing on quality, technology and on-time delivery, making us the trusted pair of hands our customers rely on.

Among the leading cost-effective companies in EMS industry

EBIDTA margin

3.7%
FY 2016-17

4.5%
FY 2020-21

PAT margin

2.2%
FY 2016-17

2.5%
FY 2020-21

In an effort to emerge as a 'one-stop-solution' for clients, we have constantly improved our capacities and capabilities to enhance our operational efficiency. Over two decades, we have invested in the development of state-of-the art manufacturing facilities and empowered our workforce to deliver cost competitive products that match the highest standards of quality.

Innovating to customer needs

Our relentless drive to tailor solutions for customers remain the touchstone for building strong and lasting partnerships. Resting on our extensive experience, technical capabilities, manufacturing know-how and supply chain insights, we strive to offer unique products that ensure the success of our valued patrons.

Demonstrating our innovative capabilities

Employees in R&D team

27
FY 2016-17

51
FY 2020-21

We are constantly striving to realize our customers' biggest and boldest aspirations, resting on our robust R&D capabilities. Our proven expertise not only empowers us to introduce new products but, also enables us to improve our existing portfolio.

Growing the business with numbers that talk

ROCE

31.4%
FY 2020-21

We strive to create value for our investors through prudent capital allocation. Our resilient strategies maximize value creation for stakeholders and help them to realize profits. We have set a hurdle rate of 30% for Return on capital employed (ROCE) and 25% for return on equity (ROE) for the coming years.

DRIVING GROWTH STRATEGICALLY

FY 2020-21 was a particularly challenging year for operations across verticals. At Dixon, our units remained non-operational for nearly 45-60 days in the first quarter of the fiscal year owing to the unprecedented Coronavirus outbreak and the subsequent lockdowns.

Tiding through the crisis, we have learnt to be resilient and have emerged stronger than before. Backed by the indomitable spirit of our people, the relentless faith of our customers, favourable government measures and our cost-rationalization strategies, we are strategically driving growth.

Healthy Margins

Our prudent and frugal approach aided us in maintaining our cost leadership and conserving our margins. With decades of investment and emphasis on backward integration, strategic focus on the ODM business, emphasis on automation, benefits of economies of scale and a negative debt burden, we have successfully sustained our financial position.

Government Support

The Government has added impetus to its Make in India initiative with the Aatmanirbhar Bharat scheme. It continues to encourage home-grown companies to reduce import dependence and foster the development of indigenous companies. Multiple policy changes on import tariff of television parts, PLIs with incentives worth nearly ₹ 40,000 crore, and introduction of schemes such as SPECS and EMC 2.0 are aimed to reduce import. Approval for PLI benefits have been granted to Dixon for mobile phone manufacturing and it will unfold the next chapter of growth at Dixon.

Strong Order Book

After a lukewarm start to the year, we saw healthy growth momentum and strong demand from both our anchor as well as new customers. It enabled us to regain operational efficiency level during the year. We are undergoing continuous capacity expansion to meet the increased demand for superior quality products.

Exploring Opportunities

We entered the set-top box segment last year and have received a positive response from customers. Going forward, we believe, it can become a significant contributor to our growth story. During the year, we also tapped into the wearable and medical equipment segments. Our main focus in the medical segment was the RT-PCR machines for COVID-19 tests.

Our RT-PCR Machines validated and approved by

ICMR

for conducting Covid-19 tests.

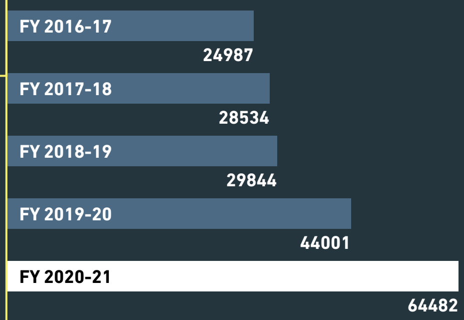
Strategic Alliances

We have constantly forged strategic alliances with global and domestic players to provide our customers effective and efficient solutions.

PROGRESS PIVOTED ON PERFORMANCE

Revenue from Operations

(₹ in Million)

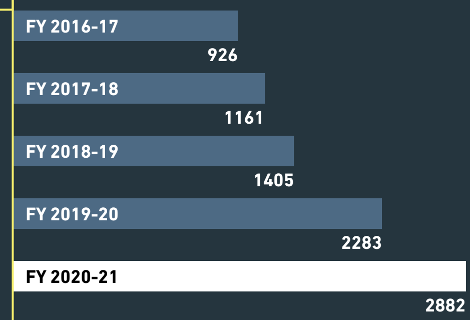


47%

growth in revenue as compared to FY 2019-20

EBITDA

(₹ in Million)

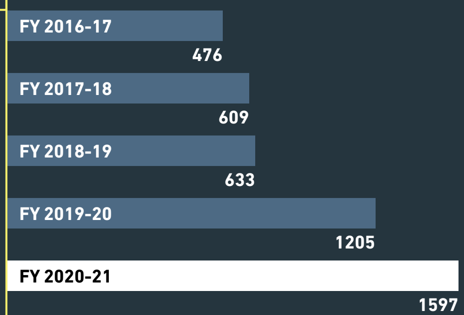


26%

growth in EBITDA as compared to FY 2019-20

PAT

(₹ in Million)

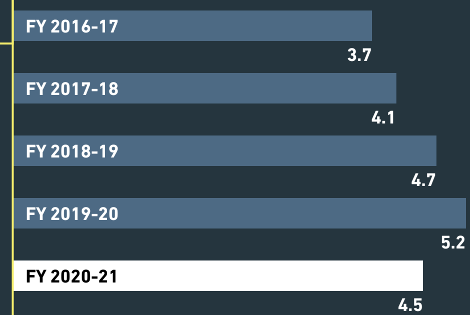


33%

growth in PAT as compared to FY 2019-20

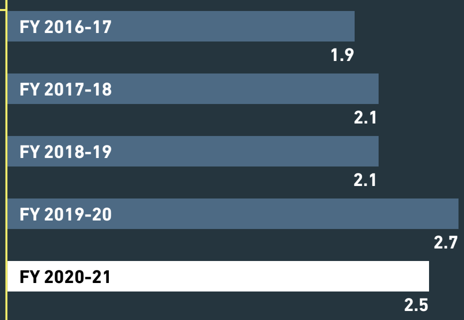
EBITDA Margin

(in %)



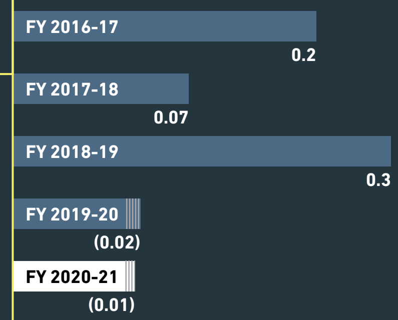
PAT Margin

(in %)



Net Debt-Equity Ratio

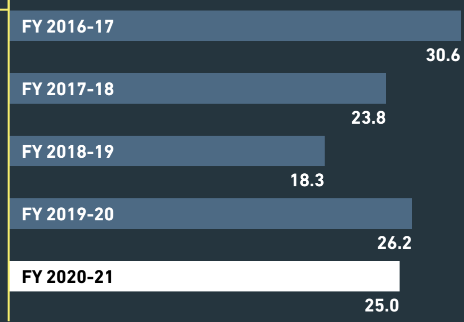
(in time)



*Consolidated Figures except wherever mentioned

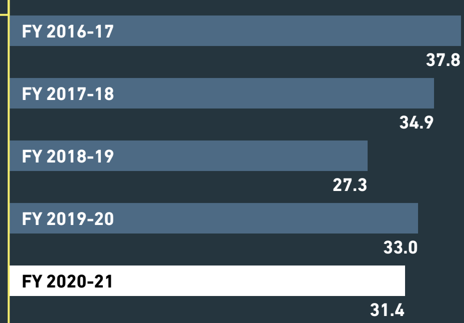
ROE

(in %)



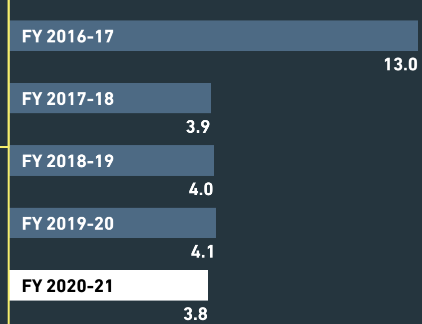
ROCE

(in %)



Dividend payout ratio (on standalone basis)

(in %)



*Consolidated Figures except wherever mentioned

BUSINESS MODEL

Input

Financial Capital

Judicious financial management and optimum allocation of funds enable us to grow and expand our business

₹1,171 Lakhs
Equity

₹8,475 Lakhs
Long-term Borrowings

Manufacturing Capital

Use of state-of-the-art manufacturing facilities to provide end-to-end solutions to customers in the lighting, mobiles and consumer durables markets

16
Manufacturing Units

Intellectual Capital

Leveraging our expertise, domain knowledge and advanced technology we aim to create superior quality and innovative products that sustain our market reputation

₹402.8 Lakhs
Total Investment in R&D

51
Employees in R&D

3
Number of R&D Centres

7 years
Average Experience of R&D team

Human Capital

Focus on building a skilled, diverse and competent workforce to generate shared value for the organisation

1934
Total employees across operations

Social and Relationship Capital

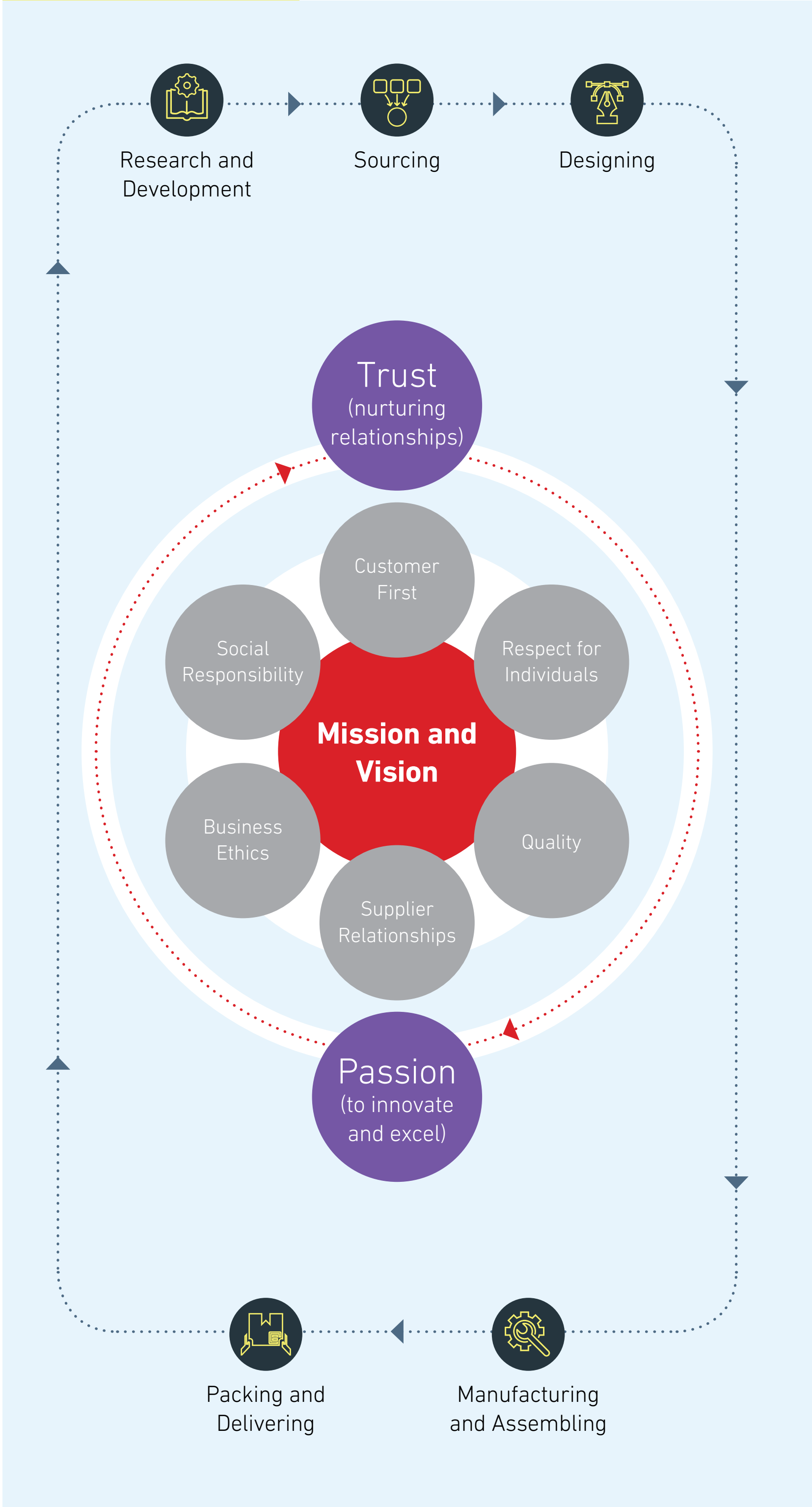
Enduring lasting relationships with stakeholders to create positive impact on communities across the globe

218,042
Shareholders

Natural Capital

To mitigate environmental impacts, we consistently endeavour to adopt eco-friendly measures that ensure sustainable operations

Processes



Output

₹21,50,755 Lakhs
Market capitalisation as on 31st March 2021

₹28,817 Lakhs
EBITDA

(0.01)
Net Debt-Equity Ratio

₹15,980 Lakhs
PAT

Our Capacities (p.a.)

4.4 Mn
LED TV

300 Mn
LED Bulb

1.2 Mn
Home Appliances

45 Mn
Mobile phone

8.4 Mn
CCTV

1.8 Mn
DVR

6 Mn
Set-up-box

Pioneering
new products and segments such as wearables and medical equipment

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

38%
YoY increase in workforce in FY 2020-21

7844
No. of Training Hours

₹3.86 Lakhs
Spent on Training and Development

531
No. of New Hires

360 degree
solutions offered to customers

Investor/ Partner
Satisfaction

₹50 Lakhs
Donated to PM CARES Fund

₹142.7 Lakhs
Total expenditure on CSR activities

Proper disposal
of hazardous waste

Certifications
ISO 14001:2015, ISO 9001:2015

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

Outcomes

- Interest bearing debt
- Sustained return on investment
- Robust balance sheet
- Continuous value creation for stakeholders
- Constant increase in total assets
- Better cash flow management

- Collaboration with major brands to foray into the export market in the short-term
- Reduced operational costs
- Constant growth of exports
- Superior quality of goods
- Improved integrity, efficiency, infrastructure and safety measures
- Enhanced operational efficiency
- Backward integration
- India's largest TV set manufacturing unit

- Ensuring operational excellence through process innovation
- Improvement in digital technology
- Enhanced product and service quality
- Consistently introducing new and improved products

- Skill development through various programs
- Ensuring safety and well-being of employees, providing equal access to opportunities
- Trained workforce with an ethical work culture
- High retention rate

- Promoted literacy and education
- Generated employment opportunities in communities around manufacturing units
- Contributed to the well-being of local communities
- Continuous customer/stakeholder engagement with offline and online resources
- Implemented initiatives to promote sanitation and eradicate hunger in local communities
- Ensured safety protocols amidst COVID-19

- Implemented several programs to ensure environmental sustainability
- Reduced dependence on non-renewable resources
- Savings incurred due to adoption of sustainability

Contribution to UNSDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

5 GENDER EQUALITY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

EXPANDING FURTHER

We have come a long way, from making TVs as an OEM player to leading the “Make in India” electronic manufacturing story as an end-to-end solution provider for the world’s major brands.

We are constantly expanding our product portfolio and adding new and innovative products to further strengthen our foothold in a competitive and dynamic business landscape.

Evolving Portfolio of Products

1994

Started with Color TVs

2007

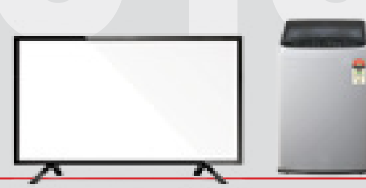
LCD TVs

2008

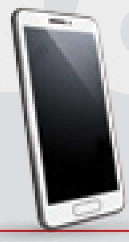
CFL Lighting & Reverse Logistics

2010

LED TV & Washing Machines



2016



Mobile
Phones

2017

CCTV and DVR

2021

Medical Electronics,
Set top box, Wearables

Future Launches

Fully Automatic Top Loading
Washing Machine, IT
hardware, Refrigerator and
Telecom Products

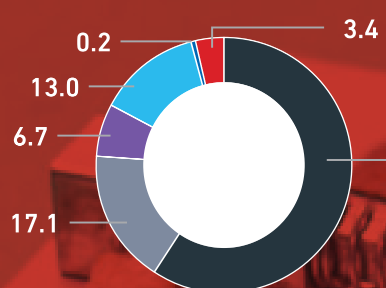
BUILDING CAPABILITIES. SUSTAINING MOMENTUM.

Our agile and resilient business model has kept us on a growth trajectory, despite challenges. We have developed excellent quality products at cost competitive rates and have successfully maintained lasting relationships with clients. Our consistent efforts to renew our product portfolio allows us to secure a healthy order book and renew our position as a market leader.

We continue to focus on new client acquisitions and product additions to maintain top-line growth, while increasing ODM revenues through backward integration and efficient capacity utilization.

Revenue Mix (%)

FY 2020-21



- Consumer Electronics
- Lighting Products
- Home Appliances
- Mobile Phones
- Reverse Logistics
- Security Systems

Mr. Abhijit Kotnis
(President & COO - Consumer Electronics & Reverse Logistics)

Consumer Electronics

The consumer electronics segment of Dixon produces an extensive array of smart TVs, ultra-high definition TVs, as an ODM and OEM player. With our expertise and reliance on cutting-edge technology, we empower clients to introduce new and innovative products to end-users.

Largest
Manufacturer of TV sets in India, meeting > 30% of market requirement

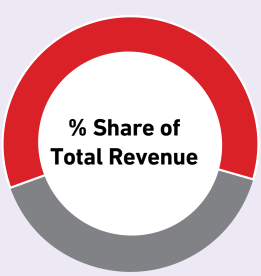
4.4 Mn
Manufacturing capacity of LED TV, p.a.

Our USPs

- End to end solution provider
- Backward integration (fully)
- Diversified Product Portfolio
- Domestic & MNC Customers
- An- in house Moulding facility will be set up by Q3 of FY 2021-22
- Full clean room technology
- 2 High speed SMT lines

Segment in Numbers

60%



Segment Info (FY 2020-21)

83%
Revenue Growth

10,279
Operating Profit - ₹ Lakhs

2.7%
Operating Margin

2,868
Capital Employed - ₹ Lakhs

5%
Share of ODM

210%
ROCE

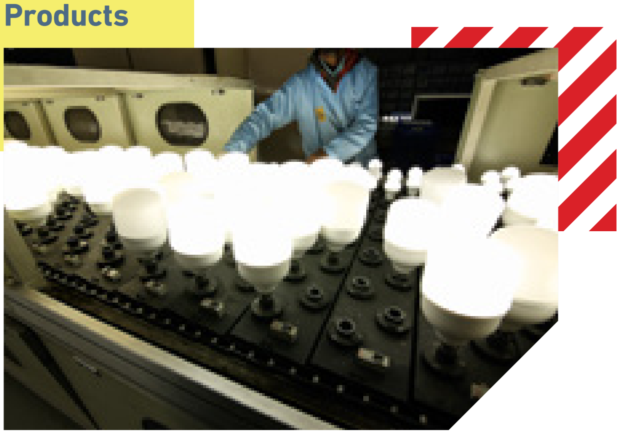
Highlights of the Year

- Strong revenue growth led by both volume and pricing growth.
- Robust margin growth on account of operating leverage, backward integration through the PCBA route, improved sale of large screen TVs offering better margins.
- Positive government policy intervention to prevent import of LED TVs.
- Capacity expansion for accommodating 4.4 million TV sets.
- Doubled our capacity by installing the second line of SMT for PCB

BUILDING CAPABILITIES. SUSTAINING MOMENTUM.

Mr. Vineet Kumar Mishra
(President & C.O.O - Lighting Solutions)

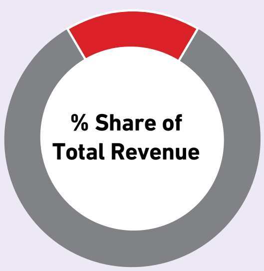
Lighting Products



We are among the top ten global players in the lighting products segment. We design and deliver LED lighting solutions in the range of 0.5W and 50W. At Dixon, we offer main electronic board designing, mechanical, light source and package designing and manufacture key inputs like plastic moulding, sheet metal and wound components that strengthen our position as a leading ODM player.

Segment in Numbers

17% ↑



Segment Info (FY 2020-21)

9,738
Operating Profit - ₹ Lakhs

8.8%
Operating Margin

32,359
Capital Employed - ₹ Lakhs

29%
ROCE

Largest
capacity for manufacturing LED bulbs

90%
share of company's ODM solutions

300 Mn
Manufacturing capacity of LED bulbs, p.a.

Our USPs

- Among India's most esteemed manufacturers with largest assembly capacity in the lighting industry
- Backward Integration for Sheet metal, Plastic Moulding & Wound components
- Use of advanced technology, strong product portfolio & cost competitiveness to strengthen position in global markets

Highlights of the Year

- Robust revenue growth
- Stronger operating leverage with migration to ODM, improved product mix, reliance on value engineering, enhanced productivity
- Capacity expansion plans in multiple sub-segments
- Pilot project for venturing into outdoor lighting segment, primarily street lights
- Automation of processes for one-third capacity of LED bulbs, to reduce manufacturing cost and boost productivity

Mr. Rajeev Lonial
(President & COO - Home Appliances)

Home Appliances

Completely based on the ODM model, we have in-house facilities for designing, manufacturing and testing of a wide range of washing machines. We rely on latest technology to create solutions that are convenient and perfectly aligned to evolving market demand. This has allowed us to introduce new features such as magic filter, water fall, side scrubber and air dry in our washing machine range.

Largest
ODM capacity installed for Semi-Automatic Washing Machines in India with complete Backward integration of Plastic Moulding & Sheet Metal

1.2 Mn
Manufacturing capacity of Home Appliance, p.a.

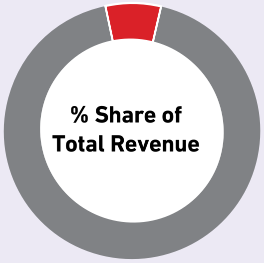
100%
ODM Solutions for both Semi-Automatic & Fully Automatic Top Load washing machines

Highlights of the Year

- Completion of test runs for fully automatic top loading plant in Tirupati production tentatively scheduled in Q3 - FY 2021-22
- Strategic focus on reduction of raw material import
- Innovated electronically operated, PCB based semi-automatic Washing machines

Segment in Numbers

7%



Segment Info (FY 2020-21)

9%
Revenue Growth

3,973
Operating Profit - ₹ Lakhs

9.2%
Operating Margin

16,986
Capital Employed - ₹ Lakhs

21%
ROCE

Our USPs

- Largest product portfolio of 140 Models, ranging from 6 kg -12 kg Semi-Automatic washing machines and 40 models ranging from 6kg-10kg of fully automatic washing machine.
- Strong R&D capability to design and produce technologically advanced washing machines
- State-of-the-art, eco-friendly facility
- Backward integration with plastic moulding capacity
- Features such as heater models, non heaters models, induction motors & BLDC inverter motors available in Fully Automatic Top Loading (FATL) machine.
- We have state of the art manufacturing facilities in both North India & South India serving domestic and Global Brands.

BUILDING CAPABILITIES.
SUSTAINING MOMENTUM.

Mr. Pankaj Sharma
(President & COO - Mobile Phones, Security Surveillance & EMS)

Mobile Phones

We emerged as one of the fastest growing manufacturers of mobile phones with a strong market presence in this segment in the last 5 years.

Among the
largest
EMS players in India

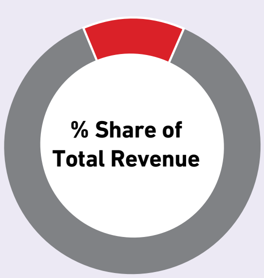
45 Mn
Manufacturing capacity of Mobile phone

Our USPs

- State-of-the-art infrastructure with SMT & other testing equipment
- Contracts with Global brands for both domestic and export markets

Segment in Numbers*

13%



Segment Info (FY 2020-21)*

56%
Revenue Growth

3,959
Operating Profit - ₹ Lakhs

4.7%
Operating Margin

17,495
Capital Employed - ₹ Lakhs

21%
ROCE

*Numbers include EMS

Highlights of the Year

- Received approval for government PLI scheme for mobile phones.
- Finalized deals with global brands.
- The new factory under the PLI scheme has been set-up in record time and Commercial production has commenced.

EMS

Our nimble business model has enabled us to capture the EMS market. In the EMS division, we forayed into set-up box segment last year using our temporary auxiliary capacity in the mobile phone segment. Further, we entered the medical equipment market this year by developing capacities for Diagnostic Testing Machines. We have also ventured into the wearable segment to further broaden our product portfolio.

Segment Info (FY 2020-21)

16,903
Revenue - ₹ Lakhs

847
Operating Profit - ₹ Lakhs

21.6 Lakhs
Set-up-box manufactured

ISO 13845
Certified facility for medical equipment

Our USPs

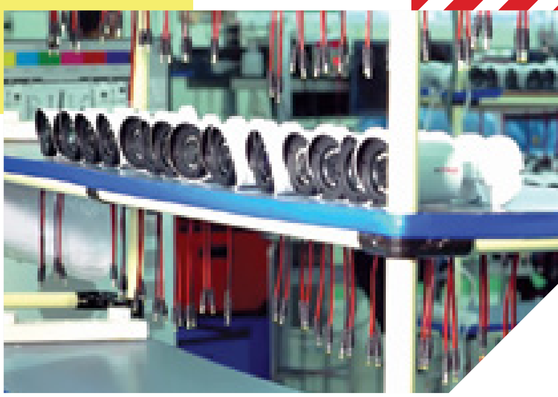
- Started manufacturing set-top boxes, medical equipment and wearables
- Adding new customers rapidly
- Healthy margins in the medical electronics unit

Highlights of the Year

- Robust revenue and order book growth, contributing significantly to the company's overall margins
- In the medical equipment segment, an MOU was signed for manufacturing Truelab™ Quattro Real Time Quantitative micro–PCR Analyzer machines. These portable machines can conduct 190-200 tests per day, for infectious diseases including Covid-19.
- In the wearable electronic segment, we collaborated with an International Brand to carry out a pilot order of 10,000 units.

BUILDING CAPABILITIES.
SUSTAINING MOMENTUM.

Security Systems



In 2018, we forayed into the security systems segment, through our joint venture with Aditya Infotech Limited to manufacture security device under the brand name AIL Dixon Technologies Private Limited (ADTPL). The fully integrated manufacturing facility enables us to meet a wide range of security and surveillance needs.

First
Company in India to manufacture Camera & DVR.

8.4 Mn
Capacity for CCTV manufacturing

1.8 Mn
Capacity for DVR manufacturing

Our USPs

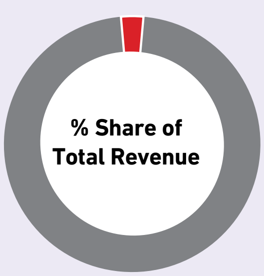
- Our fully-integrated manufacturing facility
- We deliver quality products with minimum lead time.

Highlights of the Year

- Increased margins with reduced fixed cost
- Order book has rebound after a slowdown in the first half of the year

Segment in Numbers

3%



Segment Info (FY 2020-21)

614
Operating Profit - ₹ Lakhs

2.8%
Operating Margin

2,149
Capital Employed - ₹ Lakhs

26%
ROCE

Reverse Logistics

We offer repair and refurbishment services for products like LED TVs, mobile phones, set-top boxes, modems and computer peripherals. Leveraging our manufacturing expertise and OEM capabilities, we continue to expand operations in this segment.

Segment Info (FY 2020-21)

98
Operating Profit - ₹ Lakhs

7.3%
Operating Margin

1,159
Capital Employed - ₹ Lakhs

Our USPs

- One of the few companies in the industry with Panel Repairing Facility
- State of art clean rooms & equipments.

Highlights of the Year

- New center opened in Tirupati
- L4 levels repairs done on all products

CHAIRMAN'S MESSAGE

Dear Shareholders,

A year ago, we witnessed an unprecedented economic and health crisis, and I gave you a rather ambivalent outlook on our business growth. Though, the first two months of the fiscal year were particularly difficult, things started picking up with the revival of economic activity. I am delighted to inform you that during the year gone by we have recorded the highest ever revenue and profitability in the history of our company's existence. Our company's revenue and profits stood at 6,448 crores and 160 crores respectively at the close of the financial year.

The feat alone is remarkable, but to have achieved it on the backdrop of an ongoing pandemic is completely astounding. The results are a testament to our employees' resilience and unwavering commitment to the company and I remain grateful to them for their indomitable spirit. We would not have been able to achieve this milestone without the support of our various stakeholders. I would also like to thank you, our shareholders for your relentless patronage and trust in us. Our companies' shares have rallied over significantly on the stock exchanges in the three years since its listing and have recorded a phenomenal upsurge in the twelve-trailing months before the stock split, which became necessary to maintain liquidity in our stocks.

Even amidst the dramatic changes brought about by the COVID-19 pandemic, we emerged as a financially sound entity, preparing for our leap to the next phase of growth.

The year has been rewarding for us, with the Government of India announcing a host of measures and reforms to boost the industry. The measures come at a critical time when international companies were looking at expanding their footprint beyond China and seeking opportunities in other markets. Over a period of time, I am confident, these reforms will help India to emerge not only as a manufacturing base for serving domestic markets but also for export markets.

One of the most important announcements has been the Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing companies. A host of incentives have been announced under the ambit of the scheme, for various segments. We had applied for PLI benefits for the mobile phone segment, and are proud to have been chosen as one among the five domestic companies to have qualified to meet the prerequisites for the approval. We will receive 4-6% incentive on incremental sale of smartphones in less than ₹ 15,000 category over the base year, provided we meet the current years' sales and capital investment targets.

We have expanded our capacity in the smartphone vertical. We have also set up a factory in Noida in record time to meet our production targets. We also aim to further expand our capacity within the next few years. We are also excited to have received contracts from leading multinational companies to secure manufacturing rights for their products. The order books from these companies are quite compelling, and are adequate for meeting the incremental sales requirements for the next few years.

A multitude of PLI schemes have been announced in other business segments as well and we have applied for PLI incentives for some of our other business verticals also. We remain extremely excited about our prospects in sectors such as telecom, IT hardware, wearable and LED lights.

The scheme provides companies an opportunity to find a solid footing in domestic as well as global markets. It not only encourages them to scale up production but, also provides the necessary impetus for backward integration. Apart from the direct benefits under the scheme, for shortlisted companies, the reform also assists in de-bottlenecking and boosting the component ecosystem. This combined with India's demographic dividend, trained and productive labour force, budgetary focus on infrastructure development, low logistics cost, and the best tax rates globally, positions India as one of the most attractive destinations for global electronic companies. We believe, India is at the cusp of an opportunity to become the Number 1 Electronic Manufacturing Destination in the world and we remain extremely excited about the future prospects of the industry and our company.

We are strategically placed to capitalise on changing industry dynamics with our strong relations with some of the biggest multinational brands and leading domestic brands. Today, our product portfolio comprises a wide range of products across segments. This puts us on a very strong footing in the industry, paving the way for our future growth.

Our employees constitute one of the strongest pillars of our business. We continue to focus on our talent management process, with initiatives to ensure workplace diversity, equal opportunity and overall well-being of our employees. I would like to reiterate the contribution of our employees in the feat especially during these testing times. We as an organisation are committed to their health and safety. When the first wave of COVID-19 hit us, we took multiple measures like educating our employees on necessary precautions and prevention measures. On resumption of the units post lockdown, we made sure all COVID-19 protocols were followed.

Now, when the country is in the grasp of the second wave, we are taking multiple pre-emptive measures, wherever required. We are providing free remote health assistance for our employees and have tied up with a leading healthcare provider for it. Arrangement for Oxygen Concentrators has also been made for exclusive use of our employees and their family members. I believe, together we will be able to pass these testing times once again, like we did the last year.

We look forward to many more years of innovation, rewarding experiences and greater operational efficiencies as we strengthen our position in the industry. For us, cost competitiveness, de-layering, improving efficiencies and increasing speed-to-market are constant processes. It allows us to remain on the path of profitable growth and we continue to focus on our core capabilities to drive strong revenue generation.

Going forward, we not only endeavour to scale up our business but, also look forward to invest in organic growth and expand our R&D capabilities. We are planning to set up a state-of-the-art manufacturing unit for mobile manufacturing with backward integration on the plot allotted by Noida authority. I believe this will be our largest manufacturing unit so far. Moreover, we have embarked on the journey of Industry 4.0 by undertaking automation of key processes combined with data analytics which will ensure complete traceability of our operations and increase our manufacturing excellence.

We also realise that our goal to become a global enterprise with double-digit operating margin is onerous. However, with strategic steps we are making steady progress towards our goal and remain resolute in our resolve to speed up the actions needed to fulfil these ambitions. I believe, with a talented team and effective execution of operational strategies, we can carve the path for Dixon's future growth.

Regards,

Sunil Vachani
Executive Chairman

Q&A WITH VICE CHAIRMAN & MD

FY 2020-21 has been a difficult year for the economy. How would you summarise the year for Dixon?

A. True, the year gone by has been thought-provoking not only for us but, the whole world. No one has been able to emerge from the pandemic unscathed. We were also initially impacted by the lockdown, with our units being closed for nearly two months. But, we made necessary changes in our production lines to streamline operations while following social distancing protocols. After the resumption of operations, our business performed resiliently and successfully overcame hurdles. We also explored and entered the medical equipment segment through RT-PCR machines for COVID-19 testing.

Broadly speaking, we did not have to fundamentally shift our strategy, plans or business model as a result of the pandemic. Our experience during the tough time validated our existing plans and enabled us to trigger responses that were a continuation of our existing strategies, priorities and plans.

In this challenging business environment, our customer-centric approach, backward integration capabilities, a diversified product portfolio and new launches enabled us to deliver one of the strongest performances in our history.

Dixon has entered the set-top boxes and medical equipment segment in the last year. Can you elaborate on the performance of these segments?

A. We successfully entered the set-top boxes and medical equipment market during the year and both segments have done exceptionally well.

The set-top box business has seen phenomenal growth within a short period of time, registering revenue of ₹ 156 crore in FY 2020-21. We also registered healthy operating profits, while margins in the segment stood at 3% for FY 2020-21.

In terms of production, we manufactured 21 Lakhs set-top box during the year under review. Going forward, we see a strong order book for the segment and expect decent revenue growth in the current fiscal year.

We also forayed into the medical electronics space during the year using auxiliary capacity at one of our plants. We signed MoU for manufacturing of Quattro Real Time Quantitative micro PCR Analyzer machines at the beginning of the year. These portable machines are capable of performing 190-200 tests per day of critical infectious diseases including COVID-19. Our team adapted to the specific requirements for handing medical grade components within a short period and received ISO 13485 certification in record time. In a period of 7 months we recorded revenue of ₹ 13 crore with an operating margin of 28%. The segment has one of the highest ROCE owing to low investment requirement in terms of working capital.

What are the other new segments do you think one can look out for in the coming year?

A. We became aggressive in our business expansion plans, especially in the last couple of years. We are in the final stage of planning for entering segments like IT hardware, telecom, in-house smart TV designs and refrigerators. In terms of revenue growth, wearables and fully automatic washing machines are something we are very excited about for the next year.

Our production unit for the fully automatic washing machine has been set up with an approximate investment of ₹ 95 crore over the last few months. It is now ready for operations, post the completion of successful trial runs.

Another vertical where we have recently entered is the wearables segment, mainly in the Twin Wireless Speaker (TWS) segment. We have a very fast growing and reputed anchor customer on board. We also have a strong order book and are looking to expand aggressively in this segment, both in Indian and international markets.

Going forward, is the company looking to further expand its product portfolio?

A. Yes, we are exploring both organic and inorganic ways to gain entry into new segments. We are also in talks with global and domestic industry behemoths for building strategic relationships, especially to collaborate with them as technology partners. We have always taken proactive steps to adopt evolving technologies and attune our products to changing customer preferences.

We are also foraying into the refrigerator market and remain in the final stages of conceptualization for setting up a unit, for manufacturing direct cool technology refrigerators. We are also entering the IT hardware space, mainly for laptops, desktops, tablets and servers. Currently, the Indian market is predominantly import based, with China being the main supplier. We will be setting up a factory in South India to capture the growing demand for domestic players in this segment.

We are entering the Telecom electronic sector through a Joint Venture with leading telecom company and will be jointly applying for the PLI schemes for the segment. We will be manufacturing telecom and networking products like modems, routers, set top boxes, Internet of Things (IoT) devices for the telecom sector.

How do you think things stand for the global expansion?

A. We have been exploring export opportunities in various countries and have allied with leading international brands over the last couple of years to create a market for our products. We had entered the markets through some pilot projects, mainly in the LED bulbs segment and had been gradually expanding our global footprint. The recent reforms announced by the government is a game-changer for us and we believe we are at an inflection point in terms of exports.

The PLI schemes make Indian manufacturers globally competitive, opening up huge opportunities for exports. We have already received approval for the PLI scheme for mobile phones, and are in the process of applying for benefits in IT hardware, wearables, LED lights and telecom.

We believe our extended production capacity, future capacity expansion plans, integrated business model, and cost-effective procedures lend us a competitive edge over others. The strategic location of our Tirupati plant, near three major ports, gives us an added advantage. In the days ahead, we expect overseas revenue to be a major part of our model portfolio, especially from our existing multinational customers.

What is Dixon's outlook for the coming year?

A. We envision to become leaders in manufacturing electronics globally. Our growth has been consistent and higher than the industry average and we expect to continue this momentum in the coming years and have a very robust revenue growth outlook. Progressive government policies and reforms undertaken by the Indian government further bolster our growth plans. The government's focus on 'Make in India' only strengthens the business prospects for companies like us. We are sitting on an inflection point, and thus, have become very aggressive in our new investment and capacity expansion plans.

Over two and a half decades of experience in the industry has helped us to gain the trust of some of the leading brands in India and the world. Our collaborations with these brands and a wider product basket will help us grow our business sustainably. We are confident about enhancing our profitability margins at the backdrop of high operating leverage and new customer acquisitions. Our focus on ODM model, digital transformation and adoption of Industry 4.0 across all our units will help us further leverage our efficiency margins.

Today, I am more convinced than ever that Dixon will be able to achieve a better return for our stakeholders in the coming years.

Mr. Atul B Lall
Vice Chairman and
Managing Director

QUICK Q&A WITH THE CFO

Dear Shareholders,

Through the year, we have strived to keep the health and safety of Dixonites at the forefront, as we grapple with the pandemic. We continue to invest in our policies and protocols to operate in the safest manner possible.

Despite the challenging situation, the company emerged nimble and more adaptive during the pandemic period and has displayed the resilience of its business model. Despite losing a major part of the first quarter to the lockdown, the company showed robust growth to report record revenues & profits through the subsequent quarters of the year.

During this year, how was the overall company's performance?

It has been an unpredictable year starting with severe impact of pandemic and lockdown followed by strong demand uptick in second half.

I would like to acknowledge all the great work done by Dixonites amidst challenges across professional and personal fronts. They continue to perform at a high level while adopting a nimble approach to seize all opportunities regardless of business environment. As a result, we were able record a better FY 2020-21, surpassing last year where the revenue grew by 47% to ₹ 6,448 crs from ₹ 4,400 crs in FY 2019-20. The company reported an EBITDA of ₹ 288 crs FY 2020-21 compared with ₹ 228 crs in FY 2019-20, a growth of 26%. A rapid and large increase in commodity costs impacted the operating margins in the ODM business. We were able to address margin pressure partly through combination of calibrated pricing action, inventory planning & value engineering. Our frugal cost structures and large scale also gave us a competitive edge in this challenging situation.

The Company's robust financial and operating performance despite COVID-19 induced restrictions and economic challenges is reflective of its inherent strengths and sound strategy.

How strong is your Balance Sheet & Capital Allocation strategy?

Dixon has always maintained a conservative financial profile with an optimum capital structure and investment-grade credit ratings. The company continues to have a strong balance sheet & have enough credit lines from banks to weather any future uncertainty and invest in the long-term development of our business. We take pride in being a company which has been successful in financing significant investments through internal accruals thus retaining debt-free status on a net basis as on 31st March, 21.

Capital allocation in our case will always be prudent and frugal & with huge focus on cash conversion cycle & working capital management. Working Capital Days stood at zero days & our cash and cash equivalents balances stood at ₹ 164 crs as at March 31, 2021. Dixon's businesses performed well across the board and generated strong cash inflows notwithstanding the challenging macro environment. High liquidity and robust balance sheet will support next phase of growth across businesses.

Since we do not have any significant debt obligations, the available cash will be used to meet the capex requirements to expand the capacities across existing verticals & expanding into new verticals linked to our core of electronics. We are focussed on gaining leverage benefits and sweating our assets which led to higher fixed asset turnover ratio over the past five years. The surplus cash will also be returned to the shareholders, while we do not have dividend pay-out targets, the trend has been in upward trajectory

Dixon's credit rating got upgraded to 'ICRA AA-' for long term debt & rating of 'ICRA A1+' for short term debts for commercial papers was retained which are indicators of a strong credit profile in the market, which also helped the company to mobilise funds for growth at very attractive costs & are definite positives for the Company's long-term growth trajectory.

Did the company maintain the expected return to the shareholders?

Our basic approach to capital policy emphasizes on return on invested capital and financial stability & have successfully delivered a strong ROCE & ROE of 31.4% & 25.0% respectively & will be sustained in coming quarters & years. We will continue to focus on 3 drivers of Future cash flow- Earnings expansion, Working capital efficiencies & disciplined investment.

We have consistently stood by our commitment to enhance shareholders' value & our Earnings Per-Share increased from 20.5 in FY 2019-20 to 26.9 in FY 2020-21.

Growth of Dixon is a testimony to company's approach for sustainable value creation. This involved establishing leadership position in chosen areas of businesses, and creating strong consumer value proposition.

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.

Please throw some light on the expansion & diversification strategy?

We have a very strong conviction that consumer durable and electronic goods sold in India will be manufactured in India. More & more brands are focusing on branding, distribution & Hi- end technologies & manufacturing as part of the value chain will keep getting outsourced. Even the designing of the mass products will keep getting outsourced

Dixon has always diversified into new verticals around its core of electronics which offers scale, scope of backward integration & ODM, high asset turnover & strong return ratios along with customer acquisition across all its verticals. With all our anchor customers we work hard to enhance the stickiness & gain a larger share of their business. Across all our verticals, customer acquisition is the key so we keep working on acquiring new clients in every product category that we are in.

The company forayed into verticals like Set top boxes, medical electronics & wearables last FY. We will continue to expand around our core of electronics & are diversifying into IT hardware products (Laptops & Tablets) and Telecom & Networking products where we have already signed an MOU with Bharti group with Airtel as an anchor customer & have filed our application under the PLI. The company is also venturing into Refrigerators category which should go live by Q3/ Q4 of next financial year. The company also evaluating the plans to get into LED Lighting components & AC PCB components & apply under the PLI scheme of the Govt

In our electronics sector, I feel confident that we are sitting on an inflexion point wherein we can think of new investments & expanding our capacities & over a period of time & I am confident that in times to come India will emerge as a contract manufacturing base not only for serving domestic markets but also for export markets because once the scale kicks in operating leverage comes into the system & you become globally competitive both on productivity & skill set side.

Progressive government policies and reforms are also aligned to the growth of the electronic sector & making Indian companies part of the Global supply chain at a time when International companies are looking at expanding their footprint beyond China & locating to other markets. The momentum for domestic manufacturing, aided by government schemes is beneficial for the company.

What are your core considerations for your company strategy?

Over the years, Dixon has consistently created value for stakeholders and established a sustainable, responsible business based on a deep understanding of its customers and their evolving needs. Our Strategy is to focus on prudent capital allocation, building large scale to generate operating leverage, migrating to ODM, deepening relationship with existing customers & acquisition of new customers. Further entering new domains with focus on electronic manufacturing. Also in certain verticals wherein we are globally competitive and have technical bandwidth to start entering in to global market

We have also prepared a roadmap to localize components in all verticals & it is a big opportunity for the country & the industry. Step by step the dependence on import will keep getting diluted. We strongly feel that the localization levels will significantly increase in our products in next 1 -2 years

The PLI scheme announced for our electronics manufacturing industry aims to achieve import substitution, export promotion, cost-competitiveness and efficient manufacturing, economies of scale, increased contribution in global value chains and higher market share in the given sectors. The company will continue to invest in such areas of opportunity to further add up to the India's inclusive growth story, reflecting its call of 'Made for India. Made in India'

Accolades received during FY 2020-21:

Awarded best CFO in Mid Corporate Manufacturing & Infrastructure by Institute of Chartered Accountants of India (ICAI)

Awarded as among Top 100 CFO's in India

These awards are the outcome of the stupendous efforts & dedication of Dixonites. They constantly push the limits in driving excellence and deliver notable outcomes for all our stakeholders.

Finally, I deeply appreciate all our Board Members, senior leadership, our team members and all our stakeholders, who have continued to trust us in these challenging times to take Dixon to greater heights. Let us continue this exciting journey of leaping to the next level of growth in FY 2021-22 & beyond.

I wish all our stakeholders and their beloved ones, a good health in the light of the pandemic & a bright year ahead.

Regards

Saurabh Gupta
Chief Financial Officer

MESSAGE FROM HR & LEGAL HEAD

Dear Shareholders,

As a people-centric organisation, we continue to prioritise the health and well-being of our employees and workers, especially during a particularly challenging time. During the year under review, we strived to improve employee experience by providing adequate support throughout their professional journey at Dixon. Right from hiring to integration and skill development, we continue to nurture the growth of our people by offering a conducive working environment.

The Covid-19 crisis has completely disrupted our way of working and it is anticipated to have a lasting impact on our approach to Human Resource management. However, we have swiftly adopted measures to support remote working and keep our employees motivated and engaged, despite their physical absence from office.

During these challenging times, we firmly stood by our people. We not only provided access to virtual consultations for discussing issues affecting employees during the pandemic, we also offered an amount equal to an employee's yearly CTC to families of employees who lost their lives to Covid-19. We also extended an opportunity for the family members of a deceased employee to work with us. An emergency team was also formed to deliver oxygen concentrators to our employees and their immediate family members. In addition, we have provided two life support ambulance to Noida Authority. We also facilitated vaccination drives, in small batches, across the organisation.

During the year under review, we initiated HR automation with the introduction of Darwin Box. It is a user interface used by the Human Resource Department (HRD) and the employees. It hosts employee masters, Company policies, marks attendance, grants leaves, undertakes performance appraisals and assists payroll management and internal trainings.

Further, to promote employee welfare, Mediclaim policies were procured for all employees. We also undertook a structured salary disbursement procedure for contract labours through escrow mechanism, created an exclusive helpdesk for contract labours, conducted training & development programs (online and offline) for employees. Besides, the yearly celebrations for Dixon Foundation Day, we continue with the employee engagement activities inspite of pandemic.

To ensure excellence in corporate governance, we continued to maintain transparency and fairness across all transactions and organisational activities, ensuring complete accountability to standard procedures. We also reassessed and recalibrated internal systems and processes to achieve benchmarked standards of good governance. The management team, alongside the board of directors, undertook the responsibility to take timely action for analysing and mitigating any imminent challenges to the organisation while pursuing strategic efforts to create and deliver exceptional value to all stakeholders.

Looking ahead, we remain optimistic about safeguarding the health and well-being of our employees and strive to implement advance technologies to digitize our processes and lay the foundations for a future-ready organisation that is prepared to adapt to a rapidly changing business environment.

Stay home, stay safe!

Regards,

Ashish Kumar
Group C.S.,
Head of Legal & H.R.

FOSTERING A HEALTHY WORKFORCE

Our employees are our key assets, enabling us to achieve strategic organisational objectives. It is their tenacity, dedication and motivation that helped us to strongly bounce back after the pandemic and record phenomenal performances. At Dixon, we are committed to build an empowering work culture with an emphasis on professional as well as personal development.

15483
Total number of Employees (direct & indirect)

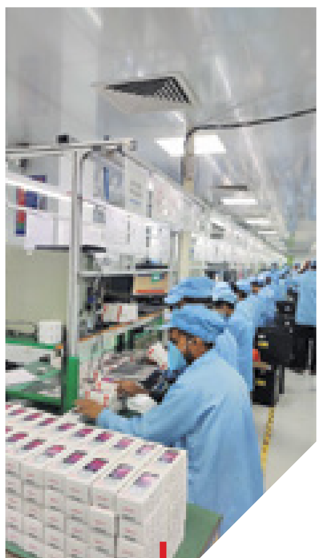
531
Net Addition to the Workforce

1934
Permanent Employees

Nil
Lost Time Injury Rate

980
Person received training

32 years
Average Age of Employees



Prioritising Employee Well-Being

We endeavour to provide a safe and healthy working environment to our employees, with multiple opportunities for growth. To keep our people engaged and motivated, we also provide platforms for honing skills and ensuring professional success.

Here are some notable steps undertaken at Dixon to prioritise employee well-being.

- We value our human resource and taking into consideration the challenges posed by the Covid-19 pandemic, we understood our people's concerns and paid full wages to workers even during the lockdown, when production was completely halted in April and May.
- The COVID-19 outbreak has compelled us to adopt a new work order and adapt to the 'new normal'. We developed and rolled out Covid-19 training programmes to help employees adapt to standard protocols during the pandemic.
- To ensure safety and security of our people, we adhered to social distancing norms and strictly followed safety protocols. We also sanitized our office regularly and encouraged the use of masks and sanitizers in our factories.
- We continue to strive for zero injuries and fatalities across our operations and have a strong safety framework in place. We have developed performance indicators to observe the safety and health quotient more diligently, to prevent untoward incidents at the workplace.

As we continue to expand our business, we are strengthening our team at senior and middle management levels. We have also tied up with a renowned global consultant to revamp our company's existing policies and embrace a culture that inculcates the company's vision, purpose and values. Moving ahead, we are focusing on building critical skills and enhancing the core competencies of our employees.

ENVISIONING STELLAR GROWTH

Scaling Up

Bolstered by strong demand across segments and our planned product portfolio expansion we are investing aggressively to further develop our production capacity. We are focusing on building automated and integrated production lines. The increased capacity will strengthen our position in the market and empower us to cater to a major share of the demand from existing as well as new markets in India and abroad.

Product Portfolio Augmentation

We are entering previously uncharted segments through organic and inorganic expansion. We plan to enter the IT hardware market, that includes laptops, desktops, tablets and servers, and are in final stages of planning for setting up a factory. We have also entered into a Joint Venture with leading telecom company to start the manufacturing of telecom and network products. We are also exploring the most effective way to make a mark in the refrigerator segment.

Resting on the strength of our product portfolio, we are consolidating our position as a globally competitive entity that ranks among the top companies in the world.

Government Impetus

The government has introduced Production Linked Incentive (PLI) Schemes for businesses to augur their development and growth. We have already received PLI approval for mobile phones and continue to look forward to similar opportunities in segments such as telecom, wearables, IT hardware, AC components & LED lights. We expect the substantial direct and indirect benefits from the scheme to be key drivers for our growth and expansion.

Incentives worth
₹7,350 Cr
for IT hardware[1]

Incentives worth
₹6,238 Cr
for White Goods[2]

Outlay of
₹12195 Cr
over five years for Telecom[3]

1. https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=1700425
2. https://pib.gov.in/PressReleasePage.aspx?PRID=1710116
3. https://pib.gov.in/PressReleasePage.aspx?PRID=1698686#:~:text=The%20Production%20Linked%20Incentive%20(PLI,to%20encourage%20Make%20in%20India.

Global Expansion

We are focusing on improving our overseas revenue model to strategically move ahead in the global markets through contracts with our existing multinational customers. We have also undertaken few pilot projects for our anchor customer and continue to optimistic about large volume contracts. The current geopolitical situation across the world and the Indian government's focus on making India a sophisticated manufacturing hub articulates well for us. In the coming years, we expect exports to be a major growth driver for Dixon.

Amongst

Top 5

Companies globally in LED lighting segment
(in terms of capacity, product portfolio, technology and cost competitiveness)

Automation

We, at Dixon, have recently embarked on our journey of Industry 4.0. We are in the process of finalising a multinational company which will drive the implementation of our Manufacturing Execution Software (MES). This will ensure complete traceability of our operations and automate key processes combined with data analytics. Through the MES, a lot of our processes such as preventive maintenance, quality control, production planning and logistics will now be digitized.

Furthermore, we have already implemented RFID tagging for our assets which will enhance end-to-end visibility of the production floor. Besides recruiting well qualified personnel to drive the digitalisation journey, we are also considering automation of our production lines in our Tirupati plant. With digital work instructions, our factory workforce has been able to reduce dependence on paper as well as increase the cycle time of our processes.

Achieve our goal of

Zero

Defects in FY 2021-22 owing to automation of our processes

STAKEHOLDER ENGAGEMENT

We identify and analyse stakeholder requirements thoroughly to devise strategic plans for fulfilling expectations. It not only enables us to lay the foundation for a strong business but, also fortifies our relation with stakeholders across the vertical.

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations	Value Created in FY 2020-21
Shareholders & Investors				
Shareholders Fund Managers Equity and Credit Research Analysts Institutional investors (Foreign and Domestic)	Investors remain at the core of our existence. We work to enhance value creation through various modes of communication. We interact with investors to solicit feedback and discuss pressing issues on a priority basis.	Annual general meeting Quarterly Investor calls and presentation Annual report Press release Website updates Stock Exchange releases Investor Analyst Meets	Growth in RoE Timely dissemination and communication of material information Growth in Dividend and EPS Strong Balance sheet Effective risk management	**₹26.9** EPS **25%** RoE **₹ 1** Dividend per share of face value of ₹ 2
Customers				
International Domestic Electronic Brands	Our customers are invaluable assets and are fundamental to our sustained growth. They rely on our infrastructure and expertise to deliver superior quality products to end users. Therefore, we strive to provide quality products that meet diverse needs.	One-to-One Interactions Customer Meeting E-mails Feedback Mechanism-Survey	Operational efficiency Lead Time Product Quality Value-addition to Products	**Strengthening** relationships with domestic & global brands by expansion of portfolios of their business
Business Partners & Suppliers				
Suppliers, Vendors, Landlords, Bankers and other business partners	We rely on a number of business partners, including suppliers, bankers and landlords, for smooth and uninterrupted operations on a daily basis.	E-mails Site Visits One-to-One Interactions Business partner survey Regular structure meetings	Contract Management Timely payment Fair trade practices	**700+** Number of Raw Material Suppliers (active) **100%** On-time Payment

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations	Value Created in FY 2020-21
Employees				
Permanent employees and Contractual employees	Our people are the foundation of our success. We leverage their skills and competencies to execute our growth plans and strategies. This enables us to retain our competitive edge and fulfil organisational goals.	Frequent internal communication Employee engagement initiatives Training and development programmes Employee satisfaction survey	Performance based reward system Timely payment of remuneration Growth opportunities Conducive working environment	**82.5%** Retention Rate **3.86 Lakhs** Spend for Training and Development initiatives **980** Man days of Training Conducted
Regulatory Bodies and Government				
SEBI and RBI Ministry of Corporate Affairs Ministry of Electronics and Information Technology Tax authorities, ICAI and ICSI Municipal Authorities State and Central Government	We engage with regulatory bodies to stay up-to-date with regulatory trends and leverage opportunities for participation in important matters related to the shaping of standards and regulations.	Reports One-to-one Interaction Events E-mails Letters	Proper disclosure of business information Compliance with industry norms, laws and regulations Employment Generation Participation in various industry forums and meets	**Generating** employment opportunities Contributing towards making India **'self reliant' and export hub** in electronic space
Communities				
NGOs Underprivileged Individuals Community/Society	Our CSR project beneficiaries are part of our larger family of stakeholders. Through our effort, we strive to create value for the communities in which we operate. We engage with relevant stakeholders through a wide range of CSR initiatives and other community connect programmes.	Focus Group Discussions One-to-one interactions Media Website Through third parties like NGOs	Enabling social development Creating value for communities Environment-friendly practices	**₹142.74 Lakhs** CSR Spend **Multiple** Beneficiaries like senior citizens & underpriviledged children

*Key senior management and circle leadership positions filled during the year with internal talent

SUPPORTING OUR SUSTAINABILITY ENDEAVOURS

At Dixon, we are committed to build a sustainable organisation with a focus on fulfilling our social and environmental responsibilities. We lay great emphasis on upholding the highest standards of corporate governance to comply with regulatory standards and foster transparent communications across organisational verticals.

Ensuring Corporate Sustainability

Dixon Technologies places utmost emphasis on corporate sustainability. To expand operations and develop viable strategies, our ESG framework encompasses sound corporate governance practices, balances stakeholder interest, addresses environmental issues and encourages employee care and social involvement.

Our ESG Performance

Environment

Carbon Disclosure Program
Adopted to monitor our environmental footprints

Social

1,934
Total no. of employees

₹ 1.42 crore
Total investment on CSR activities

100%
Employees were given safety & skill upgradation training

Governance

ISO 9001:2015
(Quality Management System)

ISO 14001:2015
(Environmental Management System)

ISO 45001:2018
(Occupational Health & Safety Management System)

Environment

Dixon formulates an effective environmental policy to guide and direct its efforts to conserve the natural environment. Our environmental management system undertakes initiatives to tackle global warming, recycle by-products, prevent environmental pollution and preserve natural resources, thereby laying a clear roadmap for mitigating environmental risks.

Limiting Carbon Emission

We understand the importance of limiting the impact of our operations on the environment. As a result, we have adopted the Restriction of Hazardous Substances Directive (RoHS) to prevent the use 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 electrical and electronic devices. We also endeavor to minimize carbon dioxide emissions and have adopted the Carbon Disclosure Program (CDP) to track our environmental footprint and implement necessary measures to limit carbon emissions.

Waste Management

We strive to minimise waste from our operations and aim to eliminate hazardous waste from our products as well as packaging processes. With increased dependence on recycled material, we are focusing on new alternatives and ensuring optimum utilisation of products.

We also realize the value of preserving natural resources. We have, therefore, entered into an agreement with Greeniwa Recycler Pvt Ltd to recycle products and dispose e-waste generated from our facilities. We have also collaborated with M/s Steam Oil & General Industries for the disposal of hazardous oil waste, generated during our manufacturing processes. With concerted efforts, we strive to enhance our waste management procedures and build a greener future.

Energy Efficiency

Our manufacturing units are energy intensive and we strive to contain and reduce our carbon footprint by enhancing energy efficiency. Our company has, therefore, installed solar rooftop panels to reduce dependence on non-renewable energy at our facility in Noida. We have incurred capital expenditure of ₹ 51.31 Lakhs for the project. We have started to get the benefit from the CAPEX invested in the form of reduced energy costs and savings.

Also, we are in discussion and closure of definitive agreements with one of Asia's leading distributed energy company providing low-carbon energy solutions to Industrial and Commercial customers. The said Company will provide us with solar roof top panels at our Noida and Tirupati facility which will enable us to increase consumption of energy from renewable sources.

₹ 51.31 Lakhs

Capex incurred for solar installation

SUPPORTING OUR SUSTAINABILITY ENDEAVOURS

Social

At Dixon Technologies, we aspire to empower people and communities by initiating meaningful transformations. With a strong focus on learning, skill development, teamwork and employee engagement policies, we aim to foster a conducive environment for our people to thrive and prosper. We are also dedicated to uplift the weaker sections of society with contributions that have a lasting impact on lives.

Ensuring Employee Welfare and Equality

We endeavour to improve the skills and capabilities of our employees through need based training programs. Safety training is also prioritised with regular mock drills, safety talks and guided training programs that help us to ensure the safety of our employees.

We encourage diversity and prevent discrimination on the basis of caste, creed, religion or sex. We aim to nurture an inclusive workforce, offering equal opportunities of growth and development. We also have a strong representation of women in our workforce and some of our production lines are completely run by women. We believe in equal pay parity, irrespective of the gender of the employee.

We do not engage in any form of child labour/forced labor/ involuntary labour and does not adopt discriminatory employment practices. We also follow a strict policy against sexual harassment and have a committee to promptly address complaints of harassment or discrimination at the workplace. During the year under review, no complaint of sexual harassment was received.

[For more details on our policies please visit https://dixoninfo.com/codes-policies.php]

Occupational Health & Safety

Dixon believes in promoting and encouraging the holistic well-being of our employees. We continue to strive for zero injuries and fatalities across our operations and have a strong safety framework in place. We have developed performance indicators to observe the safety and health of our employees, helping us prevent untoward incidents at the workplace.

All our projects adhere to safety requirements and we conduct regular emergency mock drills to ensure preparedness for emergencies. During the COVID-19 pandemic, the health and safety of our employees was our top priority. We provided safety equipment such as safety shoes, chemical suits, safety helmets, safety harness, fall arrestor, PPE kits and face shields to all our employees.

Further, in alignment with our commitment to create awareness about safety practices and initiatives, we have celebrated Safety Week 2021 from 4th March to 10th March. We organized various safety trainings and fire trainings to provide them basic knowledge on how to tackle fire incidents. Moreover, we also celebrated World Environment Day and National Safety Day to engage and educate our employees about safety measures.

Corporate Social Responsibilities

Since our inception, Dixon Technologies has been committed to create lasting bonds with communities in which we operate. Our CSR initiatives revolve around the key areas of Education, Hunger Eradication, Socio-Economic Development, Welfare of Senior Citizens and preventive health care. Our CSR initiatives are undertaken in collaboration with NGOs and other agencies, under the supervision of the Board's CSR committee.

Some of the initiatives undertaken in FY 2020-21 are as follows:

- Partnered with Jan Madhyam and Nav Abhiyan to deliver programs for vocational skill development.
- Offered education to differently abled children in Delhi.
- Provided quality education and holistic care through CBSE affiliated schools for underprivileged children (predominantly girls) in the outskirts of Dehradun, Uttarakhand in association with Purkal Youth Development Society.
- Associated with Guru Vishram Vridh Ashram ('SHEOWS') to run old age homes in Delhi and Garhmukteshwar.
- Initiated sanitation drives for promoting cleanliness in Noida.
- Donated two life support ambulances to Noida Authority.

2%
Of profit spent towards CSR activities

320
Elderly people provided shelter

2
Life support ambulances donated to the NOIDA Authority

Our Focus on COVID19

The COVID-19 outbreak compelled us to adopt a new work order and adapt to the 'new normal'. To ensure safety and security of our people, we adhered to social distancing norms and strictly followed safety protocols. We also sanitized our offices regularly and encouraged the use of masks and sanitizers in our factories. Additionally, we provided free remote health assistance for our employees. Oxygen Concentrators have also been arranged for the exclusive use of our employees and their family members. Additionally the company also initiated vaccination, of its on roll employees and faciliated vaccination for contractual workers across units

SUPPORTING OUR SUSTAINABILITY ENDEAVOURS

Governance

Dixon is committed to establish a sound corporate governance framework, emphasising on the need to ensure transparency and accountability within the organisation. Under the supervision of an experienced management and Board of Directors, we are committed to embrace our obligations as a responsible corporate entity.

Our committees

- Audit Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- Research and Development Committee
- Executive Committee
- Internal Committees
  - Internal Complaints Committee
  - Committee of Excellence

Fostering Board Diversity

Good governance starts with independent and engaged directors who have a strong sense of integrity and respect for differing viewpoints. We believe a board that embodies a range of viewpoints, backgrounds and expertise is best positioned to provide new perspectives to our management team as it addresses the challenges and opportunities impacting our business.

We constantly ensure that our Board of Directors are a diverse group of candidates who possess the requisite judgment, background, skills and expertise as well as represents diversity with respect to race, ethnicity and gender, to strengthen and increase the overall diversity, breadth of skills and qualifications of the Board.

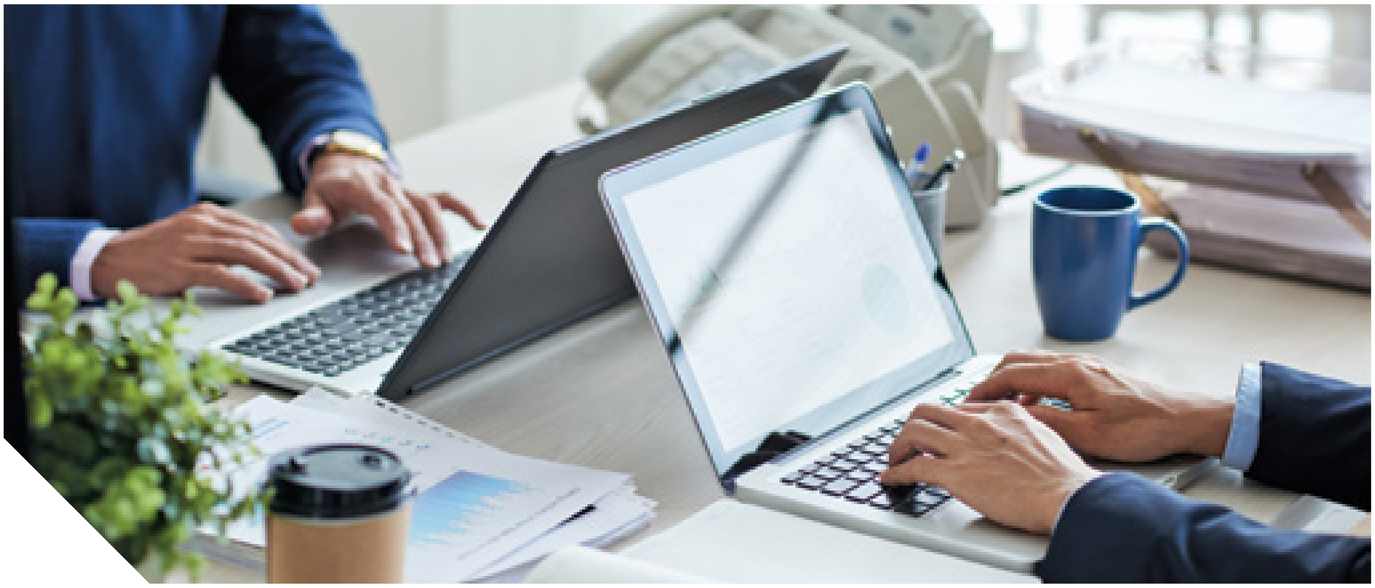
71%
Independent Directors

34 years
Average experience of our BOD

Promoting a Culture of Compliance

We are committed to building the best and most respected compliance program in the industry, one that works in partnership with the business to prevent issues. We do this by fostering a culture of compliance and promoting ethical behaviour across our business and encouraging every employee to comply with relevant laws, regulations and Dixon policies.

To follow sound business ethics, we have formed Committee of Excellence ("COE") which comprises of individuals from various departments. The COE manages the Compliance Management System in the company i.e. Lexcomply and coordinates with compliance vendor i.e. RSJ Lexsys Pvt. Ltd. This committee is setup to oversee the implementation of amendments of applicable laws in every department and regularly updated in the system and it also presents a monthly compliance report to the management.



Risk Management

Our Board recognizes that operating responsibly—minimizing the environmental impact of our operations, protecting the privacy of our customers' information and respecting human rights by creating an environment of respect, integrity and fairness for our employees and customers wherever we do business—is fundamental to the long-term success of our company.

To oversee the responsibilities, the company has formulated a risk management policy to identify and assess potential threats to business operations. It also relies on an efficient risk management strategy to evaluate and mitigate risks. The details of key risk and our mitigation strategies have been highlighted in the Management Discussion & Analysis section of the report.

Corporate Policies & Ethics

Maintaining high standards of corporate governance has been fundamental to the company's business. Our corporate policies define a clear roadmap for our long-term success and business sustainability. In order to instil confidence in stakeholders including shareholders, consumers, and the local community, Dixon relies on a robust corporate governance framework to improve efficiency, transparency and accountability across business verticals

Our Whistle Blower policy is in accordance with the provisions of the SEBI Listing Regulations and the Companies Act 2013. Directors and employees are thereby encouraged to report unethical behavior, actual or suspected fraud or violation of the company's 'Code of Conduct'. Our Code of Conduct outlines the importance of ethical behaviour to create a conducive working environment. The policy also incorporates guidelines for Confidentiality and Discretion, Insider Trading, and Sexual Harassment.

The Policy is overseen by an Audit Committee that helps to implement rules and regulations on a regular basis. We have incorporated a comprehensive internal audit team which is done in-house as well as through Ernst & Young.

Stakeholder Engagement

Over the years, we have emphasised the need to strengthen relationships with stakeholders including customers, suppliers, business partners, vendors, regulatory bodies, investors and communities at large. We aim to maximise value creation and focus on continuous interactions and consultations with stakeholders to foster transparency and establish an inclusive stakeholder engagement policy.

For more details about our stakeholder engagement practises, please refer page 34.

Way Forward

As India embarks on a journey of progress and development, our business environment continues to evolve. With every transition, we remain committed to fulfil our responsibility to retain and nurture our unique values and create a clear roadmap for a sustainable future. We, at Dixon, strive to fortify our ESG strategies to create a strong corporate governance culture and enable holistic change within the organisation.

BOARD OF DIRECTORS

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B Lall
Vice Chairman &
Managing Director

Mr. Manoj Maheshwari
Non-Executive &
Independent Director

Ms. Poornima Shenoy
Non-Executive &
Independent Director

Dr. Manuji Zarabi
Non-Executive &
Independent Director

Mr. Keng Tsung Kuo
Non-Executive &
Independent Director

Dr. Rakesh Mohan
Non Executive &
Independent Director

For more details scan the QR Code

MANAGEMENT TEAM

Mr. Sunil Vachani (KMP)
Executive Chairman

Mr. Atul B. Lall (KMP)
Vice Chairman &
Managing Director

Mr. Abhijit Kotnis
President – COO - Consumer
electronics & Reverse Logistics

Mr. Vineet Kumar Mishra
President – COO - Lighting

Mr. Rajeev Lonial
President – COO - Home Appliance

Mr. Pankaj Sharma
President – COO - Mobile Phone &
Security Surveillance Systems

Mr. Ashish Kumar (KMP)
Group CS, Head-Legal & HR

Mr. Saurabh Gupta (KMP)
Chief Financial Officer

Mr. Kailash Chander Sharma
Vice President, Stores

For more
details scan
the QR Code

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
Group CS, Head-Legal & HR

Statutory Auditors

M/s S.N. Dhawan & Co. LLP
410 Ansal Bhawan
16 Kasturba Gandhi Marg
New Delhi - 110001
Ph.:+91 1143684444, 43008546
E-mail 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
Tel: +91 120 671 7000
Fax: +91 120 671 7171
Website: ey.com

Key Bankers to Our Company

HDFC Bank Limited
Standard Chartered Bank
ICICI Bank Limited
J. P. Morgan Chase N.A.
Bank of Baroda

Annual General Meeting

Date: 28th September, 2021
Time: 11:00 A.M.
Day: Tuesday

Registrar & Share Transfer Agent

KFin Technologies Pvt. Ltd.
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, Noida-201305
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 28th Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2021. 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	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Revenue from Operations	5,67,460.15	3,67,149.94	6,44,817.04	4,40,011.74
Other Income	238.97	919.74	157.72	519.80
Total Income	5,67,699.12	3,68,069.68	6,44,974.76	4,40,531.54
Profit/Loss Before Depreciation, Finance Costs, Exceptional items and Tax Expenses	27,052.92	20,928.76	28,816.23	22,826.07
Less: Depreciation/Amortisation/Impairment	3,845.71	3,178.30	4,372.07	3,652.52
Profit/Loss Before Finance Costs, Exceptional items and Tax Expenses	23,207.21	17,750.46	24,444.16	19,173.55
Less: Financial Costs	2,591.11	3,509.92	2,743.45	3,496.72
Profit/Loss Before Exceptional items and Tax Expenses	20,616.10	14,240.54	21,700.71	15,676.83
Add/(less): Exceptional items	-	-	-	-
Profit/Loss Before Tax	**20,616.10**	**14,240.54**	**21,700.71**	**15,676.83**
Less: Taxes (current & Deferred)	5,418.90	3,180.08	5,721.59	3,626.82
Profit/Loss for the year	**15,197.20**	**11,060.46**	**15,979.12**	**12,050.01**
Total Comprehensive Income/Loss	**15,192.03**	**11,010.87**	**15,973.82**	**12,004.67**
Balance of Profit/Loss for earlier years	34,655.10	24,333.14	37,365.67	26,146.66
Add: Profit during the year	15,197.20	11,060.46	15,979.12	12,050.01
Less: Dividend paid on Equity Shares	-	689.31	-	689.31
Less: Dividend Distribution Tax	-	49.19	-	141.69
Balance carried forward	**49,852.30**	**34,655.10**	**53,344.79**	**37,365.67**

Overview and State of Company's Affairs

The Covid-19 pandemic brought economic activity to a near standstill. Due to strict restrictions imposed during the lockdown, barring few essential services, economic activity across the country remained suspended. However, economic activity gradually resumed after easing of restrictions and Q3 witnessed significant recovery due to pent up demand. To revive economic growth, a series of supportive policy actions were introduced by the central bank and the government to stimulate demand and aid economic recovery.

Despite challenges in the domestic market due to COVID - 19 the performance of your Company recorded the highest ever revenue and profitability. Your Company continued to emphasize on scaling up operations and increase its portfolio of customers across all segments. Although the COVID-19 outbreak posed major hurdles in the production and supply chain, your Company's operations were not affected significantly.

Your Company has been constantly working towards accomplishing its vision of being the most preferred and trusted manufacturing & solution partner to brands operating across verticals. During the year under review, your Company acquired new customers and increased the scope of work. Approval for the government's PLI scheme also emerged as an excellent opportunity to further expand your Company's capabilities. Moreover, your Company has secured manufacturing rights from leading global brands for producing their products. Also, your Company is excited about its prospects in sectors such as telecom, ICT hardware, wearable and LED lights.

During the year, your Company successfully entered the set-top boxes and medical equipment market. Your Company's Joint Venture Company also signed a MoU to manufacture a highly sensitive RT-PCR device for COVID-19 tests. The team adapted to the specific requirements for handing medical grade components within a short period and received ISO 13485 certification in record time. We are also planning to enter segments like Information & Communications Technology (ICT) hardware, telecom, in-house smart TV designs and refrigerators. Another vertical where your Company has recently entered is the wearables segment, mainly in the Twin Wireless Speaker (TWS) segment. Your Company is also entering the Telecom electronic sector through a Joint Venture with leading Telecom Company, and will be jointly applying for the PLI schemes for the segment. We intend to manufacture telecom and networking products like modems, routers, set top boxes, Internet of Things (IoT) devices for the telecom sector.

Further information on the Business overview and outlook and State of the affairs of the Company are discussed in detail in the Initial Section and Management Discussion & Analysis.

Your Company's ranking in terms of market capitalisation improved from rank 282 as on 31st March, 2020 to 173 as on 31st March, 2021.

Appropriations

Dividend

The Directors are pleased to recommend a dividend of ₹ 1 per equity share of face value of ₹ 2/- each (@50%), payable to those shareholders whose name appears in the Register of Members of your Company as on 21st September, 2021. The payment of Dividend shall be subject to approval of shareholders at the ensuing Annual General Meeting ("AGM") to be held on 28th September, 2021.

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 shall be payable in accordance with the Dividend Distribution Policy, which is available on the website of your Company at https://dixoninfo.com/json/dixon/codes-policy/dividend-distribution-policy.pdf. There has been no change in the said policy during the year. The said policy forms part of Annual Report as **Annexure-I**.

The Register of Members and Share Transfer Books of your Company shall remain closed from 22nd September, 2021 to 28th September, 2021 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March, 2021 and 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 1,43,730 Equity shares of ₹ 10/- each pursuant to exercise of Employee Stock Options by eligible employees under Dixon Technologies (India) Limited - Employee Stock Option Plan, 2018. Consequently, the Paid up, Issued and Subscribed Share Capital of your Company was also increased.

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.

Split of shares from face value of ₹ 10/- each to face value of ₹ 2/- each

Your Company's strong performance over the years has led to significant rise in the market price of the equity shares of your Company. With a view to encourage wider participation of small investors and to enhance the liquidity of the equity shares at the stock market, the Board of Directors of your Company at their meeting held on 2nd February, 2021, had considered and approved sub-division of each equity share of face value of ₹ 10 each fully paid up into 5 equity shares of face value of ₹ 2 each fully paid up. Subsequently, the same had been approved by the members on 7th March, 2021 through e-voting-postal ballot process. Your Company had fixed 19th March, 2021 as the Record Date for determining the eligibility of shareholders to whom equity shares have been credited after sub-division of equity shares . Old ISIN of the Company has been deactivated and in place new ISIN: INE935N01020 was activated by the depositories for the equity shares of the Company. Equity Shares have been successfully credited into the demat accounts of shareholders holding shares as on record date and shareholders holding shares in physical form were issued fresh share certificates with new distinctive numbers with their old share certificate duly cancelled.

Alteration of 'capital clause' of memorandum of association

Pursuant to the sub-division of face value of equity shares of your Company, as mentioned above, the Capital Clause of the Memorandum of Association of the Company was altered and substituted with the a new Clause V to reflect the corresponding changes in the Authorised Share Capital. Members of the Company had approved such alteration in the Capital Clause of Memorandum of Association through postal ballot held on 7th March, 2021.

Details of Employees Stock Options

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 organisation. 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 ESOP 2020

During the year under review, 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") in accordance with the applicable laws. In accordance with the said approval, the Nomination and Remuneration Committee was designated as Compensation Committee ("Compensation committee") for the purpose of administration and implementation of Dixon ESOP 2020. Accordingly, the said Compensation Committee, at its meeting held on 30th October, 2020, granted options, details of which are provided in **Annexure-II** to this Report.

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, the share allotment committee met three times and allotted 1,43,730 equity shares of ₹ 10/- each pursuant to exercise of employee stock options by eligible employees under DIXON ESOP 2018.

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) Regulations, 2014 read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 are set out in **Annexure II** to this Report.

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

Credit Rating

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

Type	Date	Facility	Rating	Remarks
Bank Loan Facility	23rd November, 2020	Fund based and non fund based	Long Term ICRA AA- pronounced ICRA double A minus Short Term A1+	Long term rating was Revised and upgraded while short term rating was re-affirmed
Commercial Paper	23rd November, 2020	Commercial Paper	ICRA A1+	Re-affirmed

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 2020-21. 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.

Your Company added few segments in its line of business which are- manufacturing of medical equipment, Set top boxes, twin wireless speakers. These products are manufactured either by your Company or by its Subsidiary/Joint venture Company.

Also, the Board of Directors of your Company, at its Board meeting held on 9th April, 2021 had approved revision in object clause of Memorandum of association of your Company and had recommended to make the object clause more descriptive and comprehensive in order to include manufacturing of IT hardware and other electronic products. The said revision was approved by the members of the Company through remote e-voting conducted through Postal ballot process. More details with regard to said amendment is provided in Corporate Governance report.

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

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 profit of ₹ 61.33 Lakhs in F.Y. 2020-21 (previous year: ₹ 202.99 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 ₹ 302.62 Lakhs in F.Y. 2020-21 (previous year: ₹ 912.82 Lakhs).

3. **AIL Dixon Technologies Private Limited**

AIL Dixon Technologies Private Limited. ("**ADTPL**") is a Joint Venture Company of your Company.

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

ADTPL reported a Profit of ₹ 809.75 Lakhs in F.Y. 2020-21 (previous year profit of ₹ 627.83 Lakhs).

4. **Dixon Electro Appliances Private Limited**

Dixon Electro Appliances Private Limited ("**DEAPL**") is a 100% subsidiary of your Company and was incorporated on 15th January, 2020 and has reported a Loss of ₹ 0.12 Lakhs in F.Y. 2020-21 (previous year loss of ₹ 0.12 Lakhs)

The Company was incorporated as wholly owned subsidiary of the Company during 2019-2020 and it is yet to commence its business .

5. **Dixon Electro Manufacturing Private Limited**

Dixon Electro Manufacturing Private Limited ("DEMPL") 100% Subsidiary of your Company, incorporated on 16th March, 2021. It has reported a loss of ₹ 0.12 Lakhs in F.Y. 2020-21.

The Company was incorporated as wholly owned subsidiary of the Company during the year ended 31st March, 2021 and therefore it is yet to commence its business .

6. **Dixon Technologies Solutions Private Limited**

Dixon Technologies Solutions Private Limited ("DTSPL") 100% Subsidiary of your Company, incorporated on 16th March, 2021. It has reported a loss of ₹ 0.12 Lakhs in F.Y. 2020-21 .

The Company was incorporated as wholly-owned subsidiary of the Company during the year ended 31st March, 2021 and therefore it is yet to commence its business .

7. **Dixon Devices Private Limited**

Dixon Devices Private Limited ("DDPL") 100% Subsidiary of your Company, incorporated on 15th May, 2021, of financial year 2020-21.

The Company being recently incorporated, is yet to commence its business.

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 declared any Dividend during the Financial Year 2020-21.

During the year, Padget Electronics Private Limited, Dixon Global Private Limited, wholly owned subsidiaries of your Company, were material subsidiaries, 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 subsidiaries.

Independent Audit Reports of the material subsidiaries are available on the website of your Company. The Secretarial Audit report of these material subsidiaries 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 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/PolicyonMaterialSubsidiary06042020.pdf.

Furthermore, pursuant to Regulation 24(A) 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 Subsidiaries i.e Padget Electronics Private Limited, Dixon Global 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/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.

All related party transactions are placed before the Audit Committee and also the Board for approval. 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 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.

Your Company has entered into a Memorandum of understanding ("MOU") with leading Telecom Company to make Dixon's wholly owned subsidiary- Dixon Electro Appliances Private Limited or any other Company identified by the parties, a joint venture Company to undertake manufacturing of telecom and networking products like modems, routers, set top boxes, IOT devices, etc for the telecom sector/industry. The said JV Company filed necessary applications with the Ministry of Communications or any other nodal agency to avail benefits under the PLI Scheme of Government of India. Post execution of mutually acceptable agreements by the parties, the JV Company will be 74% owned by Dixon & 26% owned by said leading Telecom Company.

Future Outlook

2020 has been a year like no other in recent history, and the global manufacturing industry has felt its impact. But, it also places India at an advantageous position, taking into consideration the nation's industrial network, access to abundant natural resources and comparatively cheaper workforce. All these factors could attract manufacturers towards India as an alternative base.

It is anticipated that India will soon become a hub for contract manufacturing of consumer electronics. As more and more brands focus on branding and distribution, manufacturing is likely to be outsourced to countries such as India. Also, there lies a possibility for outsourcing the designing of mass products. This can emerge as an inflection point for the Electronic manufacturing Industry and definitely a Y2K moment for us.

To capitalise on emerging opportunities, your Company is significantly improving its investments for the PLI scheme. Backed by its strong relations with some of the most renowned multinational brands, your Company remain optimistic about driving growth through capacity augmentation and backward integration. Our constant focus on innovation and robust R&D capabilities also reiterates our position as a leading player in this segment. Besides, your Company is exploring organic and inorganic pathways to gain entry into new segments. Your Company is also taking proactive steps to collaborate with industry behemoths to further expand its foray in domestic and international markets.

Also, your Company has recently embarked on its journey of Industry 4.0. It is in the process of finalising a multinational company which will drive the implementation of our manufacturing execution software. This will ensure complete traceability of our operations and allow the management to have a laser like focus on manufacturing excellence. Automation of key processes combined with data analytics will help Dixon further in achieving its goal of complete customer satisfaction. Through the Manufacturing Execution System (MES), a lot of our processes like preventive maintenance, quality control, production planning, logistics will now be digitized.

Corporate Governance

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.

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 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 material acquisitions and disposals 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 Seven Committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Executive Committee of the Board, Risk Management Committee and Share Allotment Committee. Also during the year Research & Development Committee was constituted by the Board for strengthening R&D function of the company.

Also, Dr. Rakesh Mohan, was appointed as an Additional Director of the Company in the capacity of Non-executive and Independent Director by the Board of Directors of the Company at their meeting held on 2nd February, 2021. The resolution for regularisation of his appointment by the shareholders of the Company, forms part of the Notice of 28th Annual General Meeting of the Company to be held on 28th September, 2021.

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 2020-21 i.e. 11th June, 2020, 4th August, 2020, 22nd August, 2020, 30th October, 2020, 2nd February, 2021, and 23rd March, 2021.

The necessary 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 Act.

A detailed update on the Board & its Committees, composition thereof, number of meetings held during Financial Year 2020-21 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

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

Your Company has established a vigil mechanism through which directors, employees and business associates may report unethical behavior, 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

Your Company has adopted risk management policy, which covers five aspects: Strategic risks, Operational Risks, Compliance Risks, Financial and Reporting 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 set up a Risk Management Committee to monitor the risks and their mitigating actions. The details of Risk Management Committee are provided elsewhere in this 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-management-policy.pdf.

During the year under review, the outbreak of Covid-19 pandemic had left countries across the globe shaken and battered and the world economy had come to a 'sudden stop'. It had triggered an unprecedented health and economic crisis across the globe. Due to the said pandemic situation, a countrywide lockdown was imposed, due to which manufacturing activities came to a temporary halt. However, during the 2nd Quarter and onwards, your Company's sales and manufacturing activities improved, owing to better planning and management and your Company delivered remarkable numbers during the FY 2020-21. Also, during these challenging times, your Company's focus had been on ensuring the health and safety of our employees.

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) 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.

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 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 unauthorised 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, to function as Internal Auditors.

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 instituted 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

In accordance with Section 92 and 134 of the Act read with MCA circular dated 28th August, 2020, and notification dated 5th March, 2021 the requirement to annex an extract of the annual return with this Annual report in form MGT-9 is dispensed with and is no longer required.

Also, the Annual Return of your Company for the FY 2020-21 shall be placed on the website at www.dixoninfo.com in due course.

The link to access Annual Return for previous Financial year 2019-20 is https://www.dixoninfo.com/agm.php.

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

Directors

A. Appointment of Dr. Rakesh Mohan

In order to promote good governance, the Company was required to have diversified Board which brings experience and provides their valuable contribution towards the growth of the Company. Therefore, to strengthen the existing Board, Dr. Rakesh Mohan was appointed as an Additional Director on the Board in the capacity of Non- Executive & Independent Director w.e.f 2nd February, 2021 for a period of 5 consecutive years.

Dr. Rakesh Mohan has over 5 decades of rich and considerable experience in central banking, monetary policy, infrastructure and urban affairs. The Board opines that Dr. Mohan has requisite integrity, expertise and experience with capability to critically analyse each of the Business segments and bring in more value to the organization as a whole.

B. Re-appointment of Mr. Manoj Maheshwari as Independent Director for second term of 5 consecutive years

Your Company's Board had appointed Mr. Manoj Maheshwari as Non- Executive and Independent Director on the Board w.e.f 3rd

May, 2017 for a period of three consecutive years. Accordingly, the term of Mr. Manoj Maheshwari was due for expiry on 2nd May, 2020. Therefore, the members of the Company at the Annual General Meeting held on 31st July, 2019 approved the said re-appointment of Mr. Manoj Maheshwari for a period of 5 years with effect from 3rd May, 2020.

Key Managerial Personnel ("KMPs")

Pursuant to the provisions of Section 203 of the Act, as on 31st March, 2021 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, Group CS, Head- Legal & HR of the Company are the KMPs of your Company.

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.

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/Code%20for%20Independent%20Director%20and%20familiarization%20programme_Final%20-%2031.05.2021.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 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 23rd March, 2021, without the attendance of non-independent Directors and members of Management.

In addition, your Company encourages regular meetings of its independent directors to update them on Strategies of the Company. At such meetings, the Head of the Departments of the Company make presentations with respect to the Business Vertical which they are heading. Such Meeting was conducted on 23rd March, 2021.

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 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 24th May, 2019 had appointed M/s Shirin Bhatt & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report is annexed herewith as **Annexure – III**. The Secretarial Audit Report 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 made and maintained by your Company. The Board of Directors appointed M/s Satija & Co., Cost Accountants, Delhi as Cost Auditors to audit the cost accounts of your Company for the Financial Year 2020-21. The Cost Audit Report for the FY 2020-21 will be filed with the Ministry of Corporate Affairs.
Internal Auditors- M/s Ernst & Young LLP	M/s Ernst & Young LLP., were appointed as Internal Auditors of the Company at the Board Meeting held on 11th June, 2020, to conduct the Internal Audit for the FY 2020-2021. 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.

Corporate Social Responsibility (CSR)

Your Company has been constantly working towards promoting equality, including and empowering the under-represented and underserved communities. Your Company invests in the areas of education, 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, including certain unique initiatives. It has attempted to look into the solutions to disrupt the status quo and bring in fresh thinking to the existing problems of exclusion, deprivation and poverty.

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%20Social%20Responsibility%20Policy%20-%2031.05.2021.pdf.

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

Business Responsibility Report

Your Company's business responsibility ingrains the spectrum of nine principles of National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India, along with their key elements. This is enabled by a suite of frameworks, governance, social objectives, policies, code of conduct and management systems integrated with the business process. Your Company has adopted Business Responsibility Policy which is available on the website of the Company.

In terms of SEBI Listing Regulations, a separate section on "Business Responsibility Report" forms part of this Annual Report and is given in **Annexure - V**.

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-VI**.

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. 2020-21 and notice of the 28th 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. 27th August, 2021. For members, who have not registered their e-mail addresses, please update your e-mail ids with your respective Depository Participants.

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 28th Annual General Meeting beginning from 9:00 a.m. on 25th September, 2021 (Saturday) till 5:00 p.m. on 27th September, 2021 (Monday). This is pursuant to section 108 of the Act read with relevant rules thereunder. 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) alongwith Auditors' Report thereon are available on our website www.dixoninfo.com .

Human Resources

Your Company cares for its employees and aims to provide a supportive, pleasant and healthy workplace for its employees. 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's human resource department has played a key role in supporting the employees and catalysing the changes in the workplace owing to covid 19 pandemic. Following are some of the steps which the HR department of your Company undertook in order to support the employees:

- Cleaning and disinfecting the workplace at regular intervals;
- Ensuring Social distancing between employees and constant use of face mask
- Installation of sanitisers at various places in the work places
- Encouraging roaster plans in each department for attendance at work place

Also, your Company is taking multiple pre-emptive measure wherever required to handle the second wave of Covid-19. Your Company provided free remote health assistance to employees and have tied up with a leading healthcare provider for it. Arrangement for Oxygen Concentrators were also made for use of our employees and their family members.

In the last fiscal, the Human Resource department undertook several new initiatives for employee engagement and organized programmes like, Yoga Sessions, women's day celebration, birthday celebration, Zumba Class, eye check-up and health check-ups for the employees. The employees of the Company are constantly updated on the business affairs of the Company through "Dixon-Connect"- a journal which disseminates vital information and messages pertaining to Dixon Group.

Your Company believes in work diversity and ensures that it has a mixed workforce irrespective of caste, creed, religion and sex. Your Company has representation from all sects of the religion 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 other 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 are paid based on their skill level.

Dixon also conducts training under National Apprenticeship Promotion Scheme (NAPS) on an ongoing basis for all its apprentices.

Furthermore, your Company believes in 360 degree approach while dealing with its human resource. Therefore, feedback of its employees is considered of utmost importance. In a step towards the same, a Town hall meeting was organised during the financial year and also an online survey was conducted whereby feedback, on anonymous basis, of employees was sought on areas such as-

- Things employees would like to change in your Company,
- Things which employees want the Company or management to continue doing,
- What more can be done to serve customers,
- What should be the focus area of management.

The management received inspiring responses from its employees which will definitely help the management of your Company to make your Company as one of the best places to work/associated with.

Particulars of Employees and Remuneration

The ratio of the remuneration of each of the Whole time Director, Managing Director to the median of employees remuneration as per section 197(12) of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report provided in **Annexure VII**.

Additionally, the following details form part of the **Annexure-VII** to this Report:

a) Ratio of Remuneration to Non- Executive / Independent Directors (refer table 2)

b) Percentage increase in the remuneration of the CFO and Company Secretary (refer table 3)

c) Details of remuneration to Non-Executive /Independent Directors (refer table 4)

d) Statement containing the names of top 10 employees in terms of remuneration drawn (refer table 5)

e) Details of employees employed throughout the Financial Year and in receipt of remuneration of not less than ₹ 1.02 Crore or more per annum (refer table 6)

f) Details of employees employed for part of the Financial Year and in receipt of remuneration of not less than ₹ 8.5 Lakhs per month (refer table 7)

g) Details of employees employed throughout the financial year or part thereof and was in receipt of remuneration, in aggregate or as the case may be, at a rate which, in the aggregate, is in excess of that is drawn by the Managing Director or Whole Time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company (refer table 8);

h) Details of the employees posted outside India, not being the Director or their relatives drawing Remuneration of more than ₹ 60 Lakhs per annum or ₹ 5 Lakhs per month (Refer Table 9)

The percentage increase in the median remuneration of the employees in the Financial Year 2020-21 was 15%. Also, the average percentile increase in the salaries of employees other than the managerial personnel is 10.9% as compared to 15.6% increase in the Managerial remuneration. The increment to each individual employee is based on the Employee's potential, experience and also their performance and contribution to the Company's progress over a period of time. The remuneration is as per the Remuneration Policy of the Company.

Also, during the year under review, Mr. Sunil Vachani and Mr. Atul B. Lall have received consultancy fees amounting to ₹ 24,00,000 and ₹ 12,00,000 per annum, respectively, from Padget Electronics Private Limited for providing their expertise in the field of EMS to Padget Electronics Private Limited.

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.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:

a. No. of complaints received: 0

b. No. of complaints disposed of: NA

c. No. of complaints pending: 0

Also, the Company had organised sexual harassment training programmes, 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.

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) (c) 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.

Changes in Memorandum of Association

During the year under review, the shares of the Company having face value of ₹ 10 were divided into 5 shares having a face value of ₹ 2 each, vide approval of members through postal ballot dated 7th March, 2021. Consequently the Capital clause of the Memorandum of Association was altered in the following manner.

Previous clause (V- Capital Clause)	***Amended Clause (V- Capital Clause)***
The Authorised Share Capital of the Company is ₹ 26,00,00,000/- (Rupees Twenty-Six Crores Only) divided into 2,60,00,000 (Two Crores sixty lacs only) equity shares of ₹10/- (Rupees Ten only) each with power to increase, reduce or reorganize the same in accordance with the provisions of Companies Act, 2013.	*The Authorised Share Capital of the Company is ₹ 26,00,00,000/- (Rupees Twenty-Six Crores Only) divided into 13,00,00,000 (Thirteen Crores) Equity Shares having face value of ₹2/- (Rupees Two) each with power to increase, reduce or reorganize the same in accordance with the provisions of Companies Act, 2013*

Further, the object clause of the Company was revised, with effect from 12th May, 2021, vide member's approval through postal ballot dated 12th May, 2021. The said revision was made in Sub Clause (A)1 of the Main Object clause in order to make it more comprehensive and descriptive. Consequently, the said clause was amended as follows:

Previous clause [Sub Clause (A)1 of the Main Object clause]	***Amended Clause [Sub Clause (A)1 of the Main Object clause]***
To purchase, sell, manufacture, export, repair, hire, let out on hire, alter, exchange or otherwise deal in all kinds of household appliances, instruments and devices such as refrigerators, air conditioners, room coolers, desert coolers, water coolers, all kinds of fans, washing machines, iron-presses, steam presses, dryers, heaters, geysers, cassette recorders, video games, video cassettes, tape duplicators, pressure cookers, ovens, microwave ovens, cooking ranges, mixies, grinders, toasters, juicers, hot plates, vacuum cleaners, transformers, televisions, radios, music system, tea coffee makers, Food warmers & Dishwashers of all kinds and such other electrical appliances of all types and compressors and electric motors of every kind and description.	*To purchase, sell, manufacture, trade, export, import, repair, service, hire, let-out on hire, alter, assemble, design, exchange, engage or otherwise deal in all kinds of Consumer durables, Electronic products, home appliances products, industrial products, communication products, medical equipment, wearables, Information Technology Products, Internet of Things (IoT), digital Products, audio visual products, wireless products including its devices, durables, equipment, appliances, peripherals, accessories, components, spares, parts, consumables, instruments, kits, apparatus, sheet metal components, solders, integrated circuits, transformers, injection moulding components, system tubing, motors, gadgets, tools, testing equipment, engines, any other articles, electrical products, by-products, materials, software(s), application(s) or such other related things ("the Appliances") as may be used in the above Appliances or for the above Appliances or as may be otherwise used including as its substitutes by whatever name called, as whole or part, including Appliances such as all types of televisions, washing machines, dishwashers, digital screens, displays, computer, laptop, desktop, monitors, servers, All-in-one Computer, refrigerators, freezers, air conditioners, air/water purifiers, water coolers, water dispensers, heaters, humidifier, dehumidifier, fans, presses, flatteners, dryers, geysers, audio video games, camera, recorders, food maker, beverage maker, food warmer, processors, cooking or food processing ranges, microwave, ovens, toasters, cleaner, chimney, mobile handset, smart phone, feature phone, telephone instruments, telecommunication equipment, core transmission equipment, networking equipment, customer premise equipment, wireless equipment, access devices, routers, tablet, smart watches, fitness tracker, headphones, earbuds, earplugs, bluetooth devices, GPS, wi-fi/Internet devices, medical equipment, molecular diagnostic product, circuit boards, chassis, audio player and/or video player , security systems, CCTV Cameras, CD Player, DVD player, alarms, biometric products, plug & play devices and to engage in all businesses as may be related or ancillary to the Appliances*

Deviation(s)/Variation(s) in Use of Proceeds from Objects Stated in Offer Document

Pursuant to Regulation 32 of SEBI Listing Regulations, at the start of the financial year, the Company had an unutilised amount of ₹ 211.63 Lakhs, constituting 3.53%, of total IPO proceeds. In terms of provision of the Act read with SEBI Listing Regulations and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, your Company sought approval from the members to utilise the said unutilised amount toward General Corporate purpose. The said approval was granted by the members at the 27th Annual General Meeting of your Company. Accordingly, during the year under review, the said unutilised amount was spent towards General Corporate Purposes.

As on 31st March, 2021 your Company has utilised ₹ 6000 Lakhs out of total IPO proceeds amounting to ₹ 6000 Lakhs ("total IPO proceeds"), which constitutes 100% of total IPO proceeds.

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 , 2021, 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, 2021, 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, 2021 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**
(Executive Chairman)	(Vice Chairman & ManagingDirector)
DIN:00025431	DIN:00781436

Date: 27th May, 2021
Place: Noida

ANNEXURE-I

Dividend Distribution Policy

Dividend Distribution Policy

1. **Introduction, Purpose and Scope:**

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 mandated framing of Dividend Distribution Policy by top 500 listed companies, based on the market capitalization. Considering the provisions of the said Regulation 43A, the Board of Directors (the "Board") of Dixon Technologies (India) Limited ("Company") recognizes the need to strengthen the Corporate Governance in the Company by adopting the Dividend Distribution Policy.

The policy, in the interest of providing transparency to the shareholders, sets out the circumstances and different factors for consideration by the Board at the time of deciding on distribution or of retention of profits. In view of the said requirement, the Board of Directors of the Company recognizes the need to lay down a broad framework with regard to the distribution of dividend to its shareholders and utilization of the retained earnings. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company.

The Company would ensure to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will have regards to this policy while declaring/recommending dividends on the behalf of the Company. Through this policy, the Company would strive to maintain a consistent approach to dividend pay-out plans.

The Board of the Company at its meeting held on 7th February, 2018 had approved and adopted the Dividend Distribution Policy (the "Policy") pursuant to the terms of Regulation 43A of the SEBI (LODR) Regulations, 2015 read with SEBI (LODR) (Second Amendment), 2016.

The policy shall become effective from the date of its approval by the Board i.e. 7th February, 2018.

For the purpose of this Policy, Dividend includes Interim Dividend.

2. **Parameters for the policy:**

2.1 Operating Performance:

The Board shall determine the dividend pay-out in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management (Executive Chairman and Managing Director) and other relevant factors in this regard.

2.2 Operating cash flow of the Company:

In case of inadequacy in operating cash flow, the Company may need to rely on external funding to meet its financial obligations and other working capital needs. The Board will consider the same before its deciding on whether to declare dividend or retain its profits.

2.3 Inadequacy of profits:

If during any financial year, the Board determines that the profits of the Company are inadequate or in the event of loss, the Board may decide not to declare dividends for the financial year.

2.4 Statutory/ Regulatory requirements and tax considerations:

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve(s), as may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Dividend distribution tax as per applicable tax regulations in India.

Any restriction on payment of dividends by virtue of any regulation, if any, as may be applicable to the Company at the time of declaration of dividend.

2.5 Operational and working capital requirements, provision for depreciation and capital expenditure plans:

In addition to the operational and working capital requirements, the Board may also take into account the need to plough back the earnings on account of depreciation, replacement of capital assets, expansion and modernization or augmentation of capital assets, including any major capital expenditure proposal(s) and inter-corporate investments.

2.6 Prudential requirements:

The Company may take into account the following prudential requirements:-

The need to augment long term financial resources for the Company.

Ability of the Company to raise finance from the lending markets and capital markets and prevailing market conditions thereto.

Prospective projects and strategic decisions in order decide to build a healthy reserve of retained earnings.

2.7 Stakeholder's expectations:

The Board, while considering the decision of dividend pay-out or retention of a certain amount entire profits of the Company, shall, as far as possible, consider the expectations of the major stake holders including the small shareholders of the Company, who generally expect a regular dividend pay-out.

3. Other significant parameters:

3.1. Circumstances under which the shareholders may or may not expect dividend:

The Shareholders of the Company may not expect Dividend under the following circumstances:

Significant expansion project requiring higher allocation of capital.

Any acquisitions or joint ventures requiring significant allocation of capital.

Utilisation of surplus cash for buy-back of securities.

3.2. Financial parameters that shall be considered while declaring dividend:

Profits earned during the year.

The need for ploughing back the profits into business.

Need for conservation of cash due to economic downturn and

Additional investments in subsidiaries/associates/Joint Ventures.

3.3. Internal and External factors to be considered while declaring dividend.

The decision regarding dividend pay-out is a crucial business decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business. The Board of Directors may decide to declare / recommend dividend, subject to several factors and hence, any optimal policy in this regard may depend upon multifarious factors.

The dividend pay-out decision depends upon the following external and internal factors:-

External Factors:

Prevailing economic and monetary conditions including credit availability, both domestic and international.

Internal Factors:

Restructuring events including mergers and acquisitions.

Loan covenants entered into with Bankers / Lenders/ Financial institutions.

Expansion of existing business.

Legal and regulatory requirements.

Any other relevant factors as may be deemed fit by the Board of Directors of the Company, including:

i. Policy on utilisation of retained earnings:

The Company may utilise the retained earnings for issue of fully paid bonus shares, buy back of shares, restructuring events including mergers and acquisitions, other general factors specified in this policy and for such other purposes as may be statutorily permissible.

ii. Parameters adopted with regard to various classes of shares:

a) At present, the issued, subscribed and paid up share capital comprises only one class of equity shares.

b) The payment of dividend shall be based on the respective rights attached to each class of shares as their terms of issue.

c) The dividends shall be paid out of the Company's distributable profits and / or general reserves and from such other reserves as may be statutorily permissible, and shall be allocated among shareholders on a pro-rate basis according to the number of each type and class of shares held.

4. Rate/ Quantum of Dividend:

It has always been the Company's endeavour to deliver sustainable value to all its stakeholders, which has been evident from the consistent dividend track record of the Company. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business, to the shareholders, in the form of dividend. The Company would maintain a dividend pay-out as may be determined by the Board from time to time, considering the general business factors and other significant parameters specified in this policy.

5. The Policy shall not apply to:

Determination and declaring dividend on preference shares, if any to be issued by the Company at a later date, as the same will be as per the terms of issue approved by the shareholders;

Distribution of dividend in kind, for instance- by issue of fully or partly paid bonus shares or other securities, subject to applicable law;

Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

6. Amendments to the Policy:

This policy may be amended by the Managing Director of the Company at any time either suo-moto and / or pursuant to amendments to the LODR Regulations or such other law, rules, regulations, standards, guidelines as applicable. If there is any amendment to the policy, this policy will be deemed to have been amended and such amendment will take effect from date of the approval of such amendment.

ANNEXURE-II

DISCLOSURE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

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 and its subsidiaries.

Further, the Plans haves 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 Statutory Auditors of the Company, M/s S. N. Dhawan & Co., will be placed at the ensuing Annual General Meeting. The Company has not amended the Plans during the financial year 2020-2021.

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 has been provided in Note no. 41 of the Notes to Standalone Financial Statements forming part of the Annual Report 2020-21 of the Company. The said disclosure have 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 ESOS	5,00,000	3,00,000
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 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 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.	
E.	Maximum term of options granted	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.	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.
F.	Source of Shares	Primary	
G.	Variation in terms of options	During the year, no amendment/ modification/ variation has been made in terms of options granted by the Company.	

Sl. No	Particulars	Dixon ESOP 2018	Dixon ESOP 2020			
2	Method used to account for ESOS	Fair Value Method				
3	Employee wise details of options granted during the year to:	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.	**Name of the Employee**	**Designation**	**Number of Options granted during the year**	**Exercise Price (in ₹)**
			Atul B Lall	Vice Chairman & Managing Director (KMP)	40,000	7691.31
			Saurabh Gupta	Chief Financial Officer (KMP)	20,000	7691.31
			Ashish Kumar	Group Company Secretary, Compliance Officer, Head of Legal & H.R. (KMP)	14,000	7691.31
			Pankaj Sharma	President & Chief Operating Officer (Mobile & Security Devices)	20,000	7691.31
			Abhijit Kotnis	President & Chief Operating Officer (LED TV)	20,000	7691.31
			Vineet Kumar Mishra	President & Chief Operating Officer (Lighting)	20,000	7691.31
			Rajeev Lonial	President & Chief Operating Officer (Washing Machine)	16,000	7691.31
			Kailash Sharma	Vice President – Stores	2,000	7691.31
	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
4	Weighted-average exercise price	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**
		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: ₹ 1,864.80/-	when the exercise price is less than market price: ₹ 2,092.58/-	when the exercise price is less than market price: ₹ 7,171.56/-	when the exercise price is less than market price: ₹ 7,691.31/-

Sl. No	Particulars	Dixon ESOP 2018			Dixon ESOP 2020
5	Weighted-average fair values of options	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**
		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: ₹ 768.65/- each	when the exercise price is less than market price: ₹ 1,280.60/- each	when the exercise price is less than market price: ₹ 2,297.77/- each	when the exercise price is less than market price: ₹ 3774.13/- each
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 2020**
		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 ₹ 2,072/- 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 ₹ 2,989.40/- 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 ₹ 7,968.40/- 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 ₹ 9,048.60/- per share.
8	Exercise Price	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**
		₹ 1,864.80/-	₹ 2,092.58/-	7,171.56/-	7,691.31/-
9	Expected Volatility	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**
		Vest 1; Vest 2 & Vest 3 is 36.37%	Vest 1 & Vest 2 is 36.05%	Vest 1 is 45.61%	Vest 1: 47.88% Vest 2: 41.82% Vest 3: 41.14% Vest 4: 41.14% Vest 5: 41.14%
10	Expected Option Life	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**
		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 5 years from the date of grant.
11	Expected Dividends	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**
		The Dividend Yield is 0.06%.	The Dividend Yield is 0.07%.	The Dividend Yield is 0.09%.	The Dividend Yield is 0.09%.
12	The risk-free interest rate	**Grant 2018**	**Grant 2019**	**Grant 2020**	**Grant 2020**

Sl. No	Particulars	Dixon ESOP 2018			Dixon ESOP 2020
		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 first and second vesting is 4.19% 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.
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)	₹ 25.56 per share (Standalone basis) ₹ 26.07 per share (Consolidated basis)			

OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2018 AND DIXON ESOP 2020

Particulars	Details of Dixon ESOP 2018	Details of Dixon ESOP 2020
Number of options outstanding at the beginning of the period	254950	Nil
Number of options granted during the year	14500	300000
Number of options forfeited / lapsed during the year	16250	53170
Number of options vested during the year	143730	Nil
Number of options exercised during the year	143730	Nil
Number of shares arising as a result of exercise of options	143730	Nil
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 268585765	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable	Nil
Number of options outstanding at the end of the year	109470	246830
Number of options exercisable at the end of the year	0	Nil

Note:

The aforesaid numbers are as per original grants. 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, consequently, the numbers of stock options presented in this annexure stands adjusted effective 19th March, 2021.

ANNEXURE-III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2021

[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.

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, 2021, 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, 2021 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) 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 issued 1,43,730 equity shares of face value of ₹ 10/- each under the Dixon Technologies (India) Limited-Employee Stock Option Plan, 2018.

- The Board of Directors appointed Mr. Rakesh Mohan (DIN: 02790744) as an Additional Director of the Company in the capacity of Non-Executive and Independent Director with effect from February 02nd, 2021.

- The Company approved sub-division of Equity shares from One (1) Equity Share having face value of ₹ 10/- each (Rupees Ten Only) into Five (5) equity shares having face value of ₹ 2/- each (Rupees Two Only) fully paid up w.e.f. March 19th, 2021, the record date.

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: Ghaziabad
Date: 27-05-2021
UDIN: F008273C000377994

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: Ghaziabad
Date: 27.05.2021

ANNEXURE-IV

CORPORATE SOCIAL RESPONSIBILITY REPORT

(Pursuant to Section 135 of Companies Act, 2013)

1. Brief outline of the Corporate Social Responsibility (CSR) Policy

Dixon Technologies (India) Limited ("Your Company") has a value system of giving back to society and improving life of the people and the surrounding environment. Since its inception your Company has been a socially responsible corporate making investment in the community which goes beyond any mandatory legal and statutory requirements.

Your Company believes in corporate excellence and social welfare. The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. Your Company believes that the corporate strategy which embraces social developments as an integral part of the business activities ensure long term sustainability of business enterprises. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community. Your Company has a CSR policy in place, to identify the activities relating to areas identified under Schedule VII of the Companies Act, 2013, which aims to ensure that we continue to operate our business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all stakeholders.

During the financial year under review your Company focused on child education, eradicating hunger, welfare of helpless old people of the society and welfare of the citizen of the Society. 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	3	3
2	Mr. Atul B. Lall	Member	3	3
3	Dr. Manuji Zarabi	Member	3	3

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%20Social%20Responsibility%20Policy%20-%2031.05.2021.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

6. Average net profit of the company us per Section 198 of the Companies Act, 2013 for last three financial years are as follows:

(Amount in ₹)

S.No.	Financial Year	Net Profit/(Loss)
1.	2019-20	1,47,67,89,962/-
2.	2018-19	83,65,01,499/-
3.	2017-18	83,91,99,494/-
	Average Net Profit	**1,05,08,30,318/-**

7. Two percent of average net profit of the company as per section 135(5) is **₹ 2,10,16,606/-**

   (a) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **Not Applicable.**

   (b) Amount required to be set off for the financial year,- **Not Applicable**

   (c) Total CSR obligation for the financial year (7a + 7b - 7c). – **₹ 2,10,16,606/-**

8. **(a) 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.
₹ 1,42,74,534/-	NA	NA	Please refer Note below		

Note : The unspent amount of ₹ 67,42,072 will be transferred to specified fund within the prescribed timelines.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Not Applicable

1	2	3	4	5	6	7	8	9	10	11
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementati on - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District			
1	Welfare of Senior Citizens	Old Age Home - works for the welfare of helpless, old people of the society	Yes	NCT Delhi and Garhmukteswar, U.P.		₹ 32,00,000/- (Rupees Thirty Two lakhs Only	No	Through Guru Vishram Vridh Ashram
2	Sanitization Drive	Cleanliness	Yes	Noida. U.P.		₹ 8,03,000/- (Rupees Eight Lakhs Three Thousand Only)	No	With approval of Noida Authority through contractor
3	Education to abled and disabled	Imparting value based education and providing inclusive environment to abled and disabled and allow to work and play together	Yes	NCT Delhi		₹ 16,00,000/- (Rupees Sixteen Lakhs Only)	No	Through Jan Madhyam
4	Child Education	Imparting value based education	Yes	NCT Delhi		₹ 21,00,000/- (Rupees Twenty One Lakhs Only)	No	Through Nav Abhiyan
5	Children Education	Imparting value based education	Yes	Dehradun, Uttarakhand		₹ 20,00,000/- (Rupees Twenty Lakhs Only)	No	Through Purkal Youth Development Society
6	Preventive Health care	Preventive Health care	Yes	Noida, U.P.		₹ 45,71,534/- (Rupees Forty Five Lakhs Seventy One Thousand Five Hundred and Thirty Four Only)	No	Through Noida Authority

(d) Amount spent in Administrative Overheads - Not Applicable

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 1,42,74,534/-

(g) Excess amount for set off, if any – Not Applicable

Sl. No	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	₹ 2,10,16,606/-
ii.	Total amount spent for the Financial Year	₹ 1,42,74,534/-
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

1. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting 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 ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2020-21	NA	NA	NA	NA	NA	67,42,072/-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not Applicable

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. This dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities as well as across many places in India during the financial year 2020-21. The overall CSR Expenditure was ₹ 1,42,74,534/- during the financial year 2020-21 as against gross amount required to be spent of ₹ 2,10,16,606/-during the financial year 2020-21.

During the financial under review, your Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities, however considering the ongoing pandemic situation, the company could not spend the balance CSR Budget and same will be transferred to the funds specified under schedule VII of Companies Act, 2013 within prescribed timelines.

Place: Noida
Date: 27th May, 2021

Sd/-
Sunil Vachani
(Chairman)
DIN:00025431

Sd/-
Atul B. Lall
(Vice Chairman & Managing Director)
DIN:00781436

ANNEXURE-V

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report ("report") is a disclosure mandated by the Securities and Exchange Board of India (SEBI) and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India for the top 500 listed companies. Since these companies have funds raised from the public, it implies involvement of an element of public interest. The report is a tool designed to help these companies understand the principles and core elements of responsible business practices. The scope of this report is Dixon Technologies (India) Limited's, ("Company"/ Dixon) Indian operations, including all businesses under its operational control.

This Business Responsibility Report (BRR) is one of the avenues to communicate the Company's obligations and performance to all its stakeholders for FY 2020-21.

Section A - General Information

Corporate Identity Number	L32101UP1993PLC066581
Name of the Company	Dixon Technologies (India) Limited
Registered Address	B-14 & 15 Phase-II Gautam Buddha Nagar Noida -201305
Website	www.dixoninfo.com
Email ID	investorrelations@dixoninfo.com
Financial Year reported	April 1, 2020 –March 31, 2021
Sector(s) that the Company is engaged in (industrial activity code-wise) National Industrial Classification – Ministry of Statistics and Programme Implementation	LED TV: 264 LED Bulb- 274 Washing Machine- 275
List three key products / services that the Company manufactures / provides (as in balance sheet)	1. TELEVISIONS 2. LED BULB 3. WASHING MACHINE
Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	Manufacturing Locations: a. Nil b. The Company's businesses and operations are spread across 16 locations in the country. Details of plant locations are provided in the Corporate Governance Report.
Markets served by the Company - Local / State / National / International	The Company has B2B business model.
Details of Subsidiary of the Company	As on 31st March, 2021, the Company has five subsidiary Companies- 1. Dixon Global Private Limited 2. Padget Electronics Private Limited 3. Dixon Electro Appliances Private Limited 4. Dixon Electro Manufacturing Private Limited 5. Dixon Technologies Solutions Private Limited 6. Dixon Devices Private Limited
Details of the Company's subsidiaries participating in BR initiatives	There is no direct participation of the Company subsidiaries in the BR initiatives of your Company
Details of entities (suppliers and distributors, among others) that the Company does business with, who participate in the Company's BR initiatives, along with the percentage of such entities (Less than 30%, 30-60%, more than 60%)	There are no such Entities

Section B - Financial Details

Paid up capital	₹ 117138710/- (5,85,69, 355 Equity shares @ ₹ 2/- each)
Total turnover	₹ 6,44,974.16 Lakhs
Total profit after taxes	₹ 15,978.51 Lakhs
Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.	Refer Annexure IV of the Director's Report on Corporate Social Responsibility (calculated as per Section 135 of the Companies Act, 2013)
List of activities in which CSR expenditure as above has been incurred	Please refer Annexure IV of the Annual report on Corporate Social Responsibility activities forming part of Director's Report.

Section C - Business Responsibility (BR) Information

1. Details of Directors/ Directors responsible for BR	
A. Details of Director / Directors responsible for implementation of BR policy/policies	
- DIN	00781436
- Name	Atul B. Lall
- Designation	Vice Chairman & Managing Director
B. Details of the BR head	
- Name	Atul B. Lall
- Designation	Vice Chairman & Managing Director
- Telephone No	0120-4737200
- E mail Id	info@dixoninfo.com
2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)	
P1. Ethics, Transparency and Accountability	Y
P2. Sustainable Products and Services	Y
P3. Employees' wellbeing	Y
P4. Stakeholder Engagement	Y
P5. Protecting Human Rights	Y
P6. Reducing Environmental Impact	Y
P7. Responsible Policy Advocacy	Y
P8. Inclusive Growth & Equitable Development	Y
P9. Providing Value to Customers	Y

The responses regarding the above 9 principles (P1 to P9) are given below:

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, specify?	Yes, the policies are based on and compliant with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes, all the policies have been approved by the Board and have been signed by the Managing Director.								
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	No, the Company does not have any specified committee of the Board to oversee the policy instead the Board has appointed Mr. Atul B. Lall, Managing Director, to oversee policy implementation.								

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	www.dixoninfo.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Managing Director has carried out the independent evaluation of the working of the policy.								

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committees of the Board or CEO assess the BR performance of the Company? Within 3 months, 3-6 months, Annually, More than 1 year	The Managing Director periodically assesses the BR performance of the Company for ensuring the effectiveness and relevance of BR initiatives.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes the information on BR every year which forms part of Annual report of the Company. The same can be accessed on the website of the Company at www.dixoninfo.com

Section D- Principle-wise Performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group/Joint Ventures/Suppliers/ Contractors/ NGOs/ Others?	Our Corporate Governance practices apply across the entire Dixon Group. Dixon has adopted the Code of Conduct which complies with all the legal requirements of the applicable rules and regulations including anti bribery and corruption & guides its employees and directors to conduct business in an ethical, responsible and transparent manner. It also covers all dealings with suppliers, customers and other business partners and other stakeholders. The Code forms an integral part of the induction of new employees. The Company has zero tolerance approach towards bribery and corruption. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its contracts to which they are obligated. The contracts include clauses in relation to anti-corruption law, confidentiality, human rights etc. The code of conduct is further supported by Vigil Mechanism, which is being governed by Whistle Blower Policy. Objective of the Policy is to establish no threat window whereby an individual, who is aware of any Protected Disclosure in the Company, is able to raise it to the appropriate channel as outlined in the policy, to ensure appropriate and timely institutional response and remedial action and offer protection to such individual from victimization, harassment or disciplinary proceedings. The Policy is directly monitored by the Chairman of the Audit Committee. It is a must for every employee in all of the business units/ subsidiaries to follow ethical professional conduct in their day to day activities. All employees have to read and understand the code of conduct and to abide by it. The Company also has policy for (a) Determining Materiality of Events and Information, to ensure disclosure of any event or information which, pursuant to SEBI regulations is material to determine whether an event or information is material or not and to ensure timely, accurate, uniform and transparent disclosure; and (b) Prevention of Insider Trading and protection of the unpublished price sensitive information. The copies of all the above mentioned policies are available on the website of the Company.

2. How many Stakeholders Complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company being in Manufacturing industry does receive client's/customer's queries/feedback which are duly attended to and addressed to satisfaction of the Stakeholders. Further, a total of 14 Investor complaints were received during the FY 2020-21 which have been duly addressed and satisfactorily resolved. Further, there were no cases of violation of the Company's Code of Conduct in FY 2020-21. No case was reported under the Company's Whistle Blower Policy during the year. The Company has ensured prompt public disclosure of unpublished price sensitive information in order to make such information generally available and is in compliance with the SEBI Insider Trading Regulations. Also, the investors/shareholders of the Company can submit their feedback , in the form of a survey, which will be available on the website of the Company under "investors' section.
Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	Dixon is a company engaged in inter-alia manufacturing of the products in the consumer durables, lighting, home appliances, mobile phones and other electronic items in India. Also, each of our manufacturing facilities are non-polluting entities. Your Company aims to have negligible negative impact on the environment by working towards reduction and optimal utilisation of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas. In order to reduce the industrialization impact, Your Company has adopted the Restriction of Hazardous Substances Directive (RoHS) process. Through this process, the Company restrict the use of six hazardous materials, including Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6), Polybrominated Biphenyls (PBB) and Polybrominated Diphenyl Ether (PBDE), in the manufacturing of electrical and electronic devices. 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.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	With a diverse portfolio of products, calculating our environmental performance per product poses unique challenges. Being a responsible company, we continuously track the consumption of the resources and strive to reduce the resource usage. The Company has taken efforts towards clean energy. As part of go-green initiative, your Company has installed solar roof tops panels to reduce dependency on non-renewable sources at its facility situated at Noida and the capital expenditure incurred for the same amounted to ₹ 51.31 Lakhs during preceding financial year. This will also enable your Company to reduce costs and increase operational efficiency. The company has saved approximately ₹ 12 Lakhs during the year on electricity consumption post installation of solar panel. The Company is careful of its water consumption and in this regard, the Company has taken measures towards waste water treatment. The 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, the Company is successful in treating the waste water and thereby reducing water consumption.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has developed supplier intimacy and goodwill which enables the Company to source quality raw materials even when there is scarcity of raw material in Market. We engage with local suppliers for sustainable sourcing. Adequate steps are taken for safety during transportation, which, in turn, help to mitigate the impact on climate

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company's criteria for selection of goods and services is reliability, quality and price. Regular assessments are made by the Company for the key suppliers and local vendors. The Company strives to obtain goods and services from the nearby local and nearby vendors. Frequent visits, if required are also arranged by the officials of the Company to the work stations of these local vendors for betterment of processes and quality of products. Moreover, the concerted efforts of the Company over the years have led to the creation of sustainable livelihoods for local people in the vicinity of its business units.
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste). Also, provide details thereof, in about 50 words or so.	The Company has set up Sewage Treatment Plants (STP)at its manufacturing facilities which re-cycle the Sewage/waste water generated from these manufacturing facilities. The Company has entered into an agreement with Greeniwa Recycler Pvt Ltd, a recycler for recycling and disposal of E-waste generated and with M/s Steam Oil & General Industries for disposal of hazardous oil waste during the manufacturing process. Appropriate treatment of the waste ensures that we send minimum waste to landfills. In the future, the Company will strive to continue the mechanism in all spirits.
Principle 3: Businesses should promote the wellbeing of all employees	
1. Please indicate the Total number of employees.	Permanent: 1934 & Contractual: 13549
2. Please indicate the Total number of employees hired on temporary/ contractual/causal basis	Contractual: 13549
3. Please indicate the number of permanent women employees	81
4. Please indicate the Number of permanent employees with disabilities	The Company does not have any permanent employee with disabilities
5. Do you have an employee association that is recognized by management	Yes, the Company is having employee associations/Worker Committee at 10 of its units consisting of minimum 8 members in each of such association
6. What percentage of your permanent employees is member of this recognised employee association?	25%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not engage in any form of child labour/forced labour/ involuntary labour and does not adopt any discriminatory employment practices. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. No complaint of Sexual Harassment was received during the year and the same was satisfactorily dispose by the Management of the Company.
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
a. Permanent Employees	100%
b. Permanent Women Employees	100%
c. Permanent Women Employees	100%
d. Employees with Disabilities	100% 0.09% employees hired on contractual basis

Principle 4: Stakeholder Engagement

We firmly believe that Stakeholder Engagement is critical for the sustainable growth of our business. We define our key stakeholders as individuals and organizations that affect or are affected by our business. We believe in maintaining an open, honest and clear communication with our stakeholders, recognising that our success and sustainability depends on their input and active involvement.

1. Has the company mapped its internal and external stakeholders? Yes/ No	Yes, as a result of regular and extensive stakeholder engagement over many years, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust through productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has employed Nil disabled persons (contractual basis). The Company has provided them with requisite training in connection to their work.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	Dixon thinks beyond business and undertakes various initiatives to return to society what it takes from it. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company has under its various CSR initiatives has contributed to non- government organisations in support of their initiatives for under privileged child education, old age homes and disabled people. The details of such CSR Activities are specified in the CSR section of the Director's report.
Principle 5 – Human Rights:	
1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	Dixon's Code of Conduct is not only applicable to its employees but also extends to others who work with or represent Dixon directly or indirectly. The Company, on its own initiatives, is committed to comply with all human rights and follow it across all stakeholders associated with the Company. The Company does not employ any forced labour and child labour and is committed to promoting the general equality among the employees. Not only is the Company compliant with all the statutory laws and regulations, but it has grievance redressal mechanism in place for violations. Your Company also ensures that all the labour contractors abides the law of land and follow the labour laws as applicable to them. Your company also ensures that contractors strictly follow the norm of "No Child labour" or "No bonded labour" within its premises.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil
Principle 6 – Protection of Environment:	
1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others	The Company's environment, health and safety policy covers all the employees of Dixon Group and all the interested parties and public.
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc?	The Company is vigilant of the emerging challenges like climate change, global warming and investing in measures that convert these challenges into opportunities.. Global environmental issues our addressed as a part of our business context and our moral duty towards the environment. With the production of energy efficient products, conservation measures, reducing dependence on limited resources, the Company not only reducing the burden on the environment, but also on its operational costs. The company has also installed solar plants at its units for production of electricity. The policy can be accessed using https://dixoninfo.com/json/dixon/codes-policy/business-responsibility-policy.pdf
3. Does the Company identify and assess potential environment risks? Y/N	Yes.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details therefor, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	The Company has adopted 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.
5. Has the Company undertaken any initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in Annexure-VI to the Board's Report.
6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	The Company is in compliance with the applicable environmental laws and regulations. The Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits. Yes, we comply with all applicable environmental legislations in the locations we operate in.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil
Principle 7 – Responsible Advocacy:	
1. Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.	The Chairman of the Company, Mr. Sunil Vachani is an executive member of the Consumer Electronics and Appliances Manufacturers Association (CEAMA),
2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	Being a member of the CEAMA, Mr. Sunil Vachani upholds the production of energy efficient consumer durables and also commends usage of renewable sources of energy.
Principle 8 – Inclusive Growth and Equitable Development:	
1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company considers organisational success and welfare of communities as inter-dependent. It understands the importance of inclusive growth for developing the economy as a whole. The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The details of such initiatives form part of 'Annexure IV of this report.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?	The CSR projects have been carried out by the Company by partnering with NGOs.
3. Have you done any impact assessment of your initiative?	The Company assesses the impact of the CSR Projects and Programs undertaken at its Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment
4. What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken.	For detailed information with regard to direct contribution and list of activities in which expenditure above has been incurred, please refer the Annual Report on Corporate Social Responsibility activities annexed to the Directors' Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Dixon's CSR initiatives are rolled out with non-profit & Govt. organisations. Most of the projects involve community participation and are designed by NGOs with due consultation with the communities. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Company's Representatives track the reach and take necessary steps to make it successful. The Company's representatives ensure that the initiatives so taken are providing the intended benefit to the community as desired.
Principle 9 – Customer Value:	
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The Company follows a robust way of tracking its stakeholder's complaints and focus has been to make it easy for the stakeholder's complaints to be heard by the management. Also, the Company is into B2B business model, and therefore, the Company do not have direct link with the end consumers.
2. Does the company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company displays such product information on its packaging as is mandated by law. The Company complies with the mandated requirements as per the local laws.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No cases were filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company's Business model is B2B. Customer feedback is gathered at the end of key customer interactions, during delivery of Manufactured product. The Company gathers the required information from the business partners with whom the Company carry out the business operations. The Company is not directly engaged with the end customers. Therefore the Company does not carry out any consumer survey/consumer satisfaction trends.

ANNEXURE-VI

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

a. Conservation of energy:

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. Energy conservation has always been the top priority of your Company and it has recognized the importance of energy conservation in decreasing the harmful effects of Global Warming and climate change. Your Company's manufacturing units are ISO 13845 medical device quality management, ISO 9001 quality management system, ISO 14001 Environment Management System, ISO45001, Occupational Health and Safety,

In order to reduce the industrialization impact, Your Company has adopted the Restriction of Hazardous Substances Directive (RoHS) process. Through this process , the Company restricts the use of six hazardous materials, including Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6), Polybrominated Biphenyls (PBB) and Polybrominated Diphenyl Ether (PBDE), in the manufacturing of electrical and electronic devices. 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 facility situated at Noida and the capital expenditure incurred for the same amounted to ₹ 51.31 Lakh during the year FY 2019-20. This will also enable your Company to reduce costs and increase operational efficiency. The company has saved approximately ₹ 11.72 Lakhs on electricity consumption post installation of solar panel.

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.

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 three locations out of which one is DSIR approved.

(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 such as Open cell, PCBA, BLU etc, this segment is steady on its path towards technological advancement;

(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. We also possess the resource of an ELT Lab which has a capacity for 45 machines in Dehradun and 100 machines in Tirupati;

(v) Pertaining to our lighting and mobile segment, we have taken decisive strides forward. In the smart bulbs, Dixon also has a global level R&D infrastructure for product testing and validation. For mobiles, 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

(i) the expenditure incurred on Research and Development.

(a) Capital ₹: 13,29 Lakhs (Previous year – ₹ 61.10 Lakhs)

(b) Recurring ₹: 389.56 Lakhs (Previous year – ₹ : 405.56 Lakhs)

(c) Total ₹: 402.84 Lakhs (Previous year – ₹ : 466.66 Lakhs)

(d) Total R & D expenditures as a percentage of total turnovers : 0.07% (Previous year – : 0.13%)

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	2020-21	2019-20
CIF VALUE OF IMPORTS GOODS	3,80,573.43	2,15,198.08
EXPENDINTURE IN FOREIGN CURRENCY	231.19	226.42
Total	**3,80,804.62**	**2,15,424.50**

Foreign Exchange Earnings (₹ in Lakhs):

Particulars	2020-21	2019-20
Export (FOB Basis) -	545.50	355.74

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

Sd/-
Sunil Vachani
(Executive Chairman)
DIN:00025431

Sd/-
Atul B. Lall
(Vice Chairman & Managing Director)
DIN:00781436

Date: 27th May, 2021
Place: Noida

ANNEXURE-VII

PARTICULARS OF EMPLOYEES

The Nomination & Remuneration committee continuously reviews the compensation of our executive directors and other KMPs to align both the short term and long term business objectives of the Company and to link compensation with the achievement of goals.

The details of remuneration to KMP including executive directors are in compliance with Companies (Appointment and Remuneration Managerial Personnel) Rules 2014.

Table 1- Details of remuneration of each of the Whole Time Director, Managing Director to the median remuneration as per Sec 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration Managerial Personnel) Rules 2014

Name of Director	DIN	Title	Remuneration in fiscal year 2021 (in ₹ Lakhs)	Remuneration in fiscal 2020 (in ₹ Lakhs)	% increase of remuneration in fiscal 2021 as compared to fiscal 2020	Ratio of remuneration to MRE	Commission (in ₹ Lakhs)
Mr. Sunil Vachani	00025431	Whole time Director	218.52	242.60	(9.93%)	65.13	250.48
Mr. Atul B. Lall	00781436	Managing Director	191.92	178.29	7.64%	57.20	413.03

MRE- Median remuneration of Employees

Notes: The details in the above table are on accrual basis.

For the purpose of comparison, remuneration for both fiscal 2021 and 2020 are given for the full year, except where specifically stated otherwise. Accordingly, the percentage increase and ratio of remuneration are computed on an annualized basis wherever applicable.

For details of ESOP granted during the year, kindly refer Annexure II forming part of the Directors' report.

Table 2- Ratio of Remuneration of Non-Executive Directors/Independent Director

Name of Director	DIN	Remuneration fiscal 2021 (₹ in Lakhs)*	Remuneration fiscal 2020 (₹)*	% increase of remuneration in fiscal 2021 over 2020	Ratio of remuneration to MRE
Mr. Manoj Maheshwari	02581704	10.70	7.30	Not Applicable	3.19
Dr. Manuji Zarabi	00648928	11.40	8.20	Not Applicable	3.40
Ms. Poornima Shenoy	02270175	10.40	6.20	Not Applicable	3.10
Mr. Keng Tsung Kuo	03299647	9.35	1.00	Not Applicable	2.79
Dr. Rakesh Mohan	02790744	0.75	-	Not Applicable	0.22

MRE- Median remuneration of Employees

*This remuneration include Sitting Fees paid to the Non-Executive/Independent Directors

Dr. Rakesh Mohan was appointed as the Non-Executive Independent Director w.e.f 2nd February, 2021.

Table 3- Percentage increase in the remuneration of the CFO and Company Secretary of the Company

Name of KMP	Title	Remuneration in fiscal year 2021 (in ₹ Lakhs)#	Remuneration in fiscal 2020 (in ₹ Lakhs)#	% increase of remuneration in fiscal 2021 as compared to fiscal 2020	Commission (in ₹ Lakhs)	ESOP Perquisite value (₹ in Lakhs)
Mr. Ashish Kumar	Company Secretary	67.81	53.69	26.30%	Nil	1003.66
Mr. Saurabh Gupta	Chief Financial Officer	128.92	96.60	33.46%	Nil	1452.42

#Remuneration includes fixed pay, variable pay , reimbursement forming part of Cost to Company ('CTC').

The details pertaining to stock options granted/vested to Mr. Saurabh Gupta and Mr. Ashish Kumar are provided in Annexure-II of Director's Report

Table 4 - Details of Remuneration to Non- Executive Director/Independent Directors

(₹ in Lakhs)

NAME OF THE NON-EXECUTIVE DIRECTOR	SITTING FEE	COMMISSION	TOTAL
Dr. Manuji Zarabi	3.9	7.5	11.4
Ms. Poornima Shenoy	2.9	7.5	10.4
Mr. Manoj Maheshwari	3.2	7.5	10.7
Mr. Keng Tsung Kuo	1.85	7.5	9.35
Dr. Rakesh Mohan*	0.75	-	0.75
Total	**12.6**	**30**	**42.6**

*Dr. Rakesh Mohan was appointed as the Non-Executive Independent Director w.e.f 2nd February, 2021.

Note: During the year, the Sitting fees for Board Meeting and Audit Committee Meeting has been revised to ₹75,000 and ₹25,000 respectively. No change in sitting fees for other Committees of the Board.

Table 5 - Statement containing names of top 10 employees in terms of remuneration drawn

Employee name	Designation	Age	Nature of Employment	Educational qualification	Exp (yrs)	Remuneration in fiscal 2021 (₹)# (in Lakhs)	ESOP Perquisite (₹ in Lakhs)	% Equity Shares held	Previous employment & designation	Whether relative of any director of the Company	Date of Commencement of employment
Sunil Vachani	Executive Chairman	52	Permanent	Associate of Applied Arts in business administrations	29	469.00	Nil	33.82	-	No	01/12/1993
Atul B. Lall	Managing Director	59	Permanent	Master's degree in management studies	29	604.95	Nil	3.55	-	No	01/12/1993
Abhijit Kotnis	President & COO-Consumer Electronics	52	Permanent	MBA in Marketing & Operations & B.E. in Electronics & Telecommunications	31	176.71	1226.69	0.09	Videocon Industries Ltd	No	03/07/2018
Saurabh Gupta	Chief Financial Officer	39	Permanent	B.Com, CA, CS & MBA (MDI, Gurugram)	19	128.92	1452.42	0.27	PVR LTD	No	19/09/2017
Vineet Kumar Mishra	President & COO (Lighting Division)	45	Permanent	Diploma in Electronics	27	394.79	Nil	-	Onida Savak Ltd	No	05/02/2004
Ashish Kumar	Group CS, Head - Legal & HR	41	Permanent	B.Com, FCS, EPBM-IIM(C)	19	67.81	1003.66	0.08	Narayana Hrudalaya Ltd	No	06/03/2017
Muneesh Dhawan	Vice President (Business Development)	57	Permanent	PG in Marketing, Sales and Management	34	47.95	557.59	0.05	Samsung India Pvt. Ltd	No	15/12/2015
Pankaj Sharma	President-COO (Mobile & Security Division)	59	Permanent	BA	31	97.39	Nil	0.12	PG Electronics	No	25/03/2010
Rajeev Lonial	President-COO (Home Appliances	58	Permanent	PGD in Plastic Processing Technology	32	74.98	Nil	0.025	A G Peripherals	No	21/07/2010
Kailash Chander Sharma	Vice President	55	Permanent	B.A.	36	47.34	Nil	0.07	Weston	No	19/01/1994

#Remuneration includes fixed pay, variable pay, reimbursements forming part of CTC, incentive (if any), Commission accrued during the year (if any).

Note: For details of ESOP granted during the year, kindly refer Annexure II forming part of the Directors' report.

Table 6 - Details of Employees employed throughout the Financial year and in receipt of remuneration in the aggregate not less than 1.02 cr. Per annum

Employee name	Designation	Age	Nature of Employment	Educational qualification	Exp (yrs)	Remuneration in fiscal 2020 (₹)# (in Lakhs)	ESOP Perquisite (₹ in Lakhs)	% Equity Shares held	Previous employment & designation	Whether relative of any director of the Company	Date of Commencement of employment
Sunil Vachani	Executive Chairman	52	Permanent	Associate of Applied Arts in business administrations	29	469.00	Nil	33.82	-	No	01/12/1993
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Muneesh Dhawan	Vice President (Business Development)	57	Permanent	PG in Marketing, Sales and Management	34	47.95	557.59	0.05	Samsung India Pvt. Ltd	No	15/12/2015

#Remuneration includes fixed pay, variable pay, reimbursements forming part of CTC, incentive (if any), Commission accrued during the year (if any).

Note: For details of ESOP granted during the year, kindly refer Annexure II forming part of the Directors' report

Table 7 - Details of Employees employed for part of the Financial Year and in receipt of remuneration not less than ₹ 8.5 Lakhs per month- There is no such employee in the Company who is employed for a part of the Financial year and was in receipt of Regular Remuneration/ C.T.C of not less than ₹ 8.5 Lakhs per month.

Table 8 - Details of employees employed throughout the Financial year or part thereof and was in receipt of remuneration, in aggregate or as the case may be, at the rate which, in the aggregate, is in excess or that drawn by the Managing Director or Whole time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company – There was no such employee who was employed throughout the Financial year or part thereof and was in receipt of regular remuneration/ C.T.C. in aggregate or as the case may be, at the rate which, in the aggregate, in excess or that drawn by the Managing Director or Whole time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

Table 9 - Details of Employees posted outside India, not being Director or their relatives drawing remuneration more than ₹ 60 lakhs per annum or ₹ 5 Lakhs per month:

There was no such employee in the Company posted outside India, not being Director or their relatives drawing remuneration more than ₹ 60 lakhs per annum or ₹ 5 Lakhs per month.

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

Sd/-
Sunil Vachani
(Executive Chairman)
DIN:00025431

Sd/-
Atul B. Lall
(Vice Chairman & Managing Director)
DIN:00781436

Date: 27th May, 2021
Place: Noida

MANAGEMENT DISCUSSION AND ANALYSIS

Industry overview – EMS

Electronics will always remain an integral part of the global manufacturing processes. India has given electronics and component manufacturing special attention through its progressive policies and regulatory framework.

The Indian electronics industry is in a sweet spot because of the government's initiatives such as Make-in-India, Aatmanirbhar Bharat & the de-risking of the global supply chain coupled with an increased adoption of the China+1 strategy worldwide & further momentum for domestic manufacturing aided by government schemes like Production linked incentive scheme, financial assistance for setting up Electronic manufacturing clusters & Scheme for Promotion of Manufacturing of Electronic Components & Semiconductors among others. Over the last 3 years the tariff structures in electronic imports have been rationalized & increased to promote domestic manufacturing in India & second to deepen the manufacturing ecosystem in India. The Govt policies moves are aimed at making Indian companies' part of the Global supply chain at a time when International companies are looking at expanding their footprint beyond China & locating to other markets.

India has already seen an influx of investments coming in to scale up manufacturing from both domestic and international companies & large capex is expected to come over the next 3-5 years in the electronics industry.

India has the lowest penetration rates across consumer durables making it a lucrative destination for many global giants and domestic companies given the large domestic market, availability of low cost skilled & semi-skilled manpower, supportive government policies, and lower tax rates.

Indian industry should see tremendous growth & increase in domestic value-addition across product segments (currently quite below the global average) with setting up of a components ecosystem, and scaling up of large-scale electronics manufacturing capabilities in the country Indian EMS Market size was approx. USD 6 Bn in FY20 & expected to touch USD 40 Bn by 2025 at a CAGR of 47% from 2020 to 2025.

The factors which will push the industry's growth to the next level:

1. Low penetration of products; much lower than the global average
2. Huge push from the government to become self-reliant (reduce import dependency) and to increase exports by introducing various schemes
3. Consumption in India to be serviced through the direct manufacturing route
4. Focus of brands on Branding & distribution & manufacturing is getting outsourced
5. Rising discretionary incomes
6. Evolving of physical and social infrastructure, better logistics, and an expanding e-commerce industry

Covid 19 Impact

The year gone by started with an unprecedented nation-wide lockdown due to pandemic which negatively impacted the economic activities across the globe. The electronics manufacturing industry has been severely impacted by the pandemic due to massive disruptions in the global supply chain. Countries around the world depend on China for supply of electronic parts but, after the Coronavirus outbreak, industry players faced supply chain issues. The pandemic has also highlighted the risks emanating from a single-source supply chain.

Post relaxation of lockdown economic activities gradually started picking up from mid May 2020. Dixon, backed by manufacturing strength, robust supply chain management and strong distribution network made a strong come back and displayed strong financials in terms of top line, volumes, profitability & liquidity. The Company's robust financial and operating performance despite COVID-19 induced restrictions and economic challenges is reflective of its inherent strengths and sound strategy.

Company remained dedicated to the health and safety of our team members & continued to invest in policies and protocols to operate in the safest manner possible

Consumer Electronics

The television industry witnessed massive technological changes in the last ten years with the introduction of panel TVs that resulted in the phasing out of CRT TVs. Penetration of television in India is around 65% which still shows a wide scope in demand expansion. The market size in terms of revenue is estimated to be ₹ 240 Bn in FY 20 & is expected to grow to ₹ 322 Bn by FY23 at a CAGR of 10% & 15.5 Mn units in FY 20 to 21 Mn units in FY 23 at a CAGR of 10%. Migration to larger screens is one of the biggest trends that are being witnessed in the category.

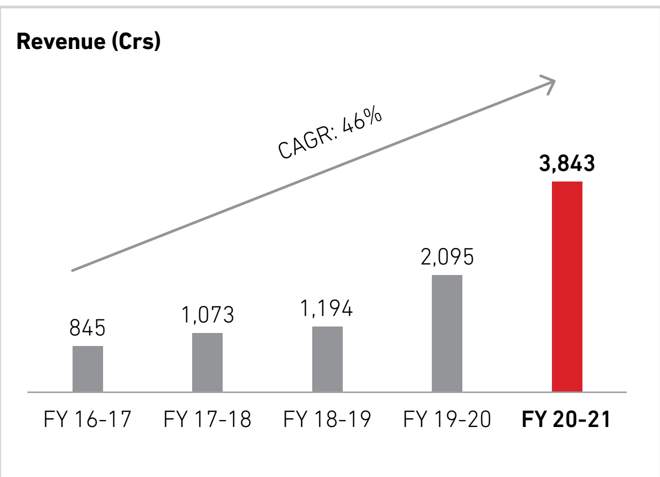
Dixon being the market leader in the LED TV manufacturing has the largest capacity of ~4.4 Mn Units p.a. which is which is the largest capacity in India capturing approx 30% of the Indian Market requirement. Product portfolios include 19 to 85 inches ATV, 2K, 4K UHD, Smart, Semi-smart, Android certified, Linux based TV with AIOT platform and voice control features. The company provides end to end solution including Auto Insertion, SMT, and LCM Module Assembly. The company is also strengthening its R&D for more & more own design solutions.

The company is further expanding its capacity to 5.5 Mn in FY 22 , the increased capacity will take care of 35% of Indian requirement. We have a total area of more than 400,000 sq feet in our integrated campus at Tirupati which is fully backward integrated & we are further investing in injection moulding unit to be self-sufficient in FY 22.

The Consumer electronics segment is largest segment of the company, which contributed 60% of total revenue. The revenue was ₹ 3,843 Crs in FY 21 as against ₹ 2,095 Crs in the same period of last year, a robust growth of 83%. Operating profit witnessed a strong growth of 104%, from ₹ 50 Crs in FY 20 to ₹ 103 Crs in FY 21, up 104%.

Dixon has marquee customers including both domestic & Global brands. The major customers in this segment are Xioami, Samsung, Hisense, VU, Nokia, Panasonic, TCL, Lloyd, Flipkart, Philips, Toshiba etc

LED Monitors: We have got orders from largest Global brands for manufacturing of LED Monitors & the production is likely to commence from Q3, FY 22. The lines are expected to be installed by Aug' 22 for creating a capacity of 1 mn LED Monitors. The expected annual volumes in year 1 will be in the range of 0.5 mn & we expect the order book to increase significantly in year 2 & beyond. The revenues & profitability numbers are being worked but we expect the margins to be in similar range as LED TV



Lighting products

India LED lighting market witnessed a surge in recent years on account of growing population and subsequent urbanization & the demand for an environment friendly and cost-effective lighting solution is also gaining traction. The Indian LED Lighting market reached a value of ₹ 210 Bn in 2020 & expected to grow at a CAGR of 12.5% to ₹ 300 Bn by FY 23.

Dixon is the India's largest ODM player in lighting business & have the largest variety of SKU's. In LED bulb, we have a capacity of 300 mn p.a which is 50% of the Indian requirement, in Battens it is 5 mn/month (Total Indian requirement is 9 mn/ month) & 1.5 mn/ month in Downlighters (Total Indian requirement is 3 mn/ month).

90%

ODM Business

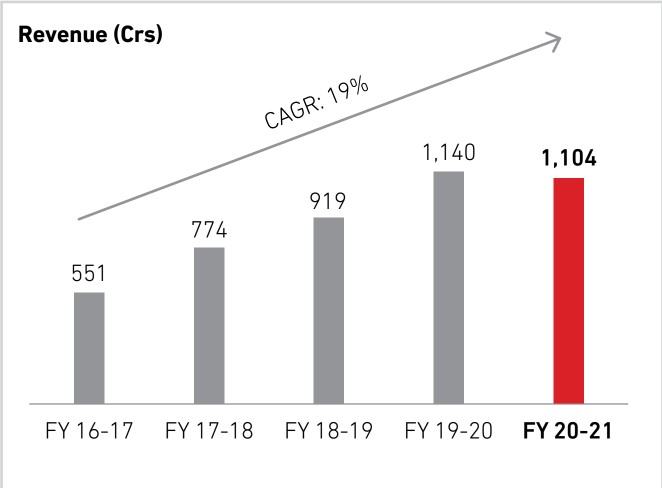
Almost all the brands in the Lighting business are on ODM basis & also a large % of their sales is being sourced from Dixon today.

With the kind of volumes & range of product portfolio in the segment, the company is now globally competitive & among the top companies in the world as far as volume & cost competeviness is concerned. In FY 22, we are confident that we will have significant breakthrough in getting large account for export of LED bulbs

The company has also developed outdoor lighting solutions and the product portfolio of streetlight will be launched in FY 22.

The company will also participate in the PLI scheme announced for components of LED Lights which will create a robust components ecosystem in the country & will bring down the costs for finished products & thereby boosting exports.

Lighting Segment contributed 17% of total revenue in FY 21, revenues was ₹ 1,104 Crs in FY 21 as against ₹ 1,140 Crs in same period last year and operating profit was ₹ 97 Crs in FY 21 as against ₹ 98 Crs in FY 20. The major customers in this segment are Signify, Panasonic, Wipro, Bajaj, Syska, Orient, Polycab, Luminous, Crompton etc



Home Appliances

Indian Washing Machines industry has been witnessing sustained and stable growth. Dual income families, growing disposable incomes, and paucity of time have been instrumental in driving the demand for Washing Machines. Penetration of washing machines in India is currently 12% implying high scope for growth. Washing Machine Market in India reached ₹ 104 bn in 2020 and projected to grow at CAGR over 12% to reach ₹ 146 bn by 2023.

100%

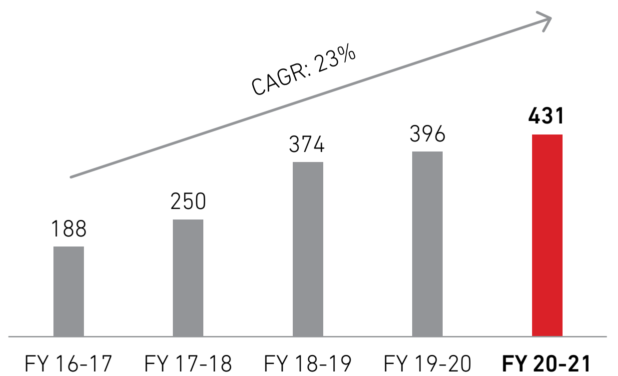
ODM Business

The company presently has 160 odd models & has the largest portfolio ranging from 6 kg -14 kg across the semi-automatic category & will undertake capacity expansion to 1.5 Mn from 1.2 Mn by Aug'22.

The mass production for top loading fully automatic washing machine at Tirupati facility will commence in Q3, FY 22. The company will have 96 variants across 6 kg -10 kg category with an annual capacity of 6 lac units which is the largest product portfolio with any brand/ manufacturer.

Home Appliance segment contributed 7% to the total revenue of the company, while the revenues were ₹ 431 Crs in FY 21 as against ₹ 396 Crs in FY 20, a growth of 9% but the operating profit was ₹ 40 Crs in FY 21 as against ₹ 46 Crs in FY 20, a de-growth of 14% due to due to margin pressure on account of the increased input prices The major customers in this segment are Samsung, Godrej, Voltas- Beko, Panasonic, Lloyd, Flipkart, Haier, Reliance etc.

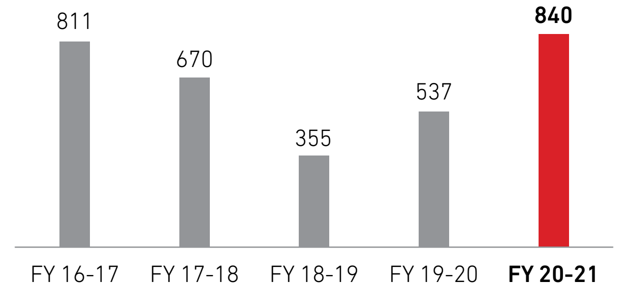
Revenue (Crs)



Mobile and EMS Division (Mobiles, Set top boxes & Medical Electronics)

India is the world's second-largest smartphone market with annual volumes of around 160m units. It is growing faster than the overall global smartphone market & all major smartphone makers are present in India. The Indian mobile phones market was valued at ₹ 1.6tn in FY19-20 and is estimated to touch ₹ 2 tn by FY 22-23 at a CAGR of 6%. The industry believes 5G will be the next big trigger for growth.

Revenue (Crs)



Dixon has been a beneficiary of government PLI scheme & has already commenced production for Motorola smart phones in mid-march in the new factory in Noida & for Nokia smart phones in Feb, 21. The tie up with Motorola to manufacture smart phone is for both for Global & domestic markets & will do approx 65-70% of the ceiling revenues defined under the PLI scheme. In case of Nokia, the entire demand for Nokia for Indian market which will be done covering approx 20% of the celling revenues.

The company is in active discussion with other customers & have started investing to increase the capacity to 15 mn smart phones annually in next couple of years for meeting the thresholds as against 3 mn as on today and we are confident of crossing the ceiling revenues in the respective years under the PLI . The company has already taken 5 acres of land in Noida & plan to make it a big integrated mobile phone manufacturing facility apart from its 3 existing facilities in Noida.

Set Top Box

As far as Set Top box business is concerned the company manufactured 21 lacs set top boxes mainly for Jio, Dish TV, Siti cable & reported revenues of ₹ 156 cr with a 3%+ operating margin for the fiscal year ended & the order book in this vertical looks very healthy.

Medical Electronics

Dixon also forayed into medical electronics in FY 21 & manufactured Truelab™ Quattro Real Time Quantitative micro PCR Analyzer machines. These portable technology driven machines are capable of performing tests of critical infectious diseases including Covid-19. It was validated and approved by Indian Council of Medical Research (ICMR).

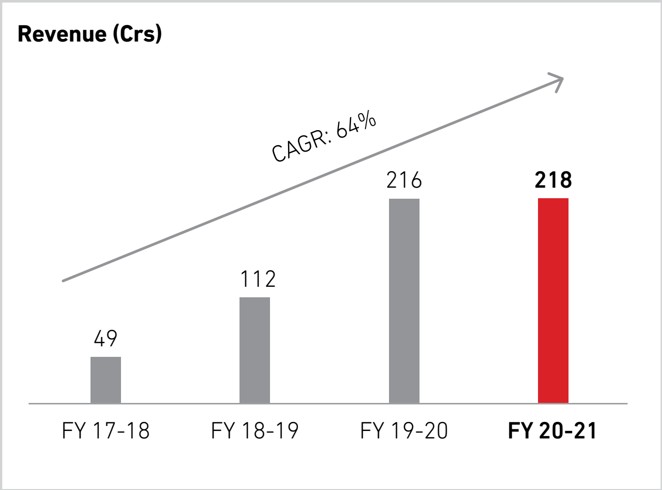
Overall Mobile phone & EMS Division segment contributed 13% to overall company revenue in FY 21, The Revenue for FY 21 was ₹ 840 Crs as against ₹ 537 Crs in the same period of last year, up 56%. The operating profits of the segment was ₹ 40 Crs against ₹ 19 Crs same period of last year, up 107%.

Security Systems

The Indian security and surveillance market continues to witness tremendous growth due to the development of smart cities, need for better surveillance in cities, airports and manufacturing units & rise in the need of cyber security. With plans to develop more than 100 smart cities, government projects such as these are the biggest demand drivers for this segment. Indian CCTV market is expected to grow at a CAGR of 22.5 percent between 2020 and 2025.

The company entered into Security surveillance system in 2017 through a JV with Aditya Infotech Ltd for manufacturing of security devices including CCTV, IP Cameras & DVR. "CP Plus", trademark owned by Aditya Infotech Ltd is one of the leading industry players.

This segment contributed 3% in overall company revenue in FY 21, the 50% share of Dixon revenues was ₹ 218 Crs as against ₹ 216 Crs in the same period of last year. The operating profits of the segment was ₹ 6.1 Crs against ₹ 7.2 Crs same period of last year.



Reverse Logistics

This segment of the company involves repair & refurbishment of set top boxes, LED TV panels & mobile phones. Dixon is one of the few companies to have Panel Repairing and LED TV refurbishment facilities. This business is more strategic in nature, more to enhance the stickiness & provide end to end solution to the customers.

The segment contributed ₹ 13 crs & ₹ 98 lacs in the overall revenue & operating profit respectively.

Segment Overview & Financial Overview

Verticals	Product/Services	Revenue
Consumer Electronics	LED TVs, AC PCB	83% YoY growth from 2,095 crores in FY 19-20 to 3,843 crores in FY 20-21
Home Appliance	Washing Machines	9% YoY growth from 396 crores in FY 19-20 to 431 crores in FY 20-21
Lighting Products	LED Bulbs, Battens, Downlighters etc	3% YoY degrowth from 1,140 crores in FY 19-20 to 1,104 crores in FY 20-21
Mobile Phones & EMS	Feature & Smart Phones, PCB for Mobile Phones, Medical Electronics, Set top boxes	56% YoY growth from 537 crores in FY 19-20 to 840 crores in FY 20-21
Reverse Logistics	Repair Services	14% YoY degrowth from 16 crores in FY19-20 to 13 crores in FY 20-21
Security Systems	CCTV camera and Digital Video Recorders (DVRs)	1% YoY growth from 216 crores in FY 19-20 to 218 crores in FY 20-21

Financial Overview

Particulars	FY 21	FY20
Total Income (INR Crore)*	6,450	4,405
EBITDA (INR Crore)*	288	228
PAT (INR Crore)*	160	121
Net Debt equity ratio**	(0.01)	(0.02)
Interest Coverage Ratio#	8.9	5.5
Current Ratio##	1.1	1.2
Debtor turnover days!	46	49
Inventory turnover days!!	26	43
Operating Profit Margin^	4.4%	5.1%
Net Profit Margin^^	2.5%	2.7%
Return on Net worth^!	25.0%	26.2%

** (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 Inventory/ Cost of goods sold 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
FY 2021	5%	90%	100%
FY 2020	6%	87%	100%
FY 2019	9%	71%	100%
FY 2018	6%	40%	100%
FY 2017	12%	45%	100%

Risk

Globalization Risk

The electronics industry of India faces tough competition by the electronic goods imported from China. Cheap imports from China will further pose a challenge in front of the electronics industry.

Experience

Experience matters the most when it comes to identifying the right opportunities for business of the company. It is also important to work in a direction that will help to capture the opportunity available.

Industry Risk

Industry risk is when the industry has a whole may reach at a stagnant or declining position. This risk will not only affect a particular company but it will also affect the industry in which company deals in.

Client Concentration Risk

Depending on limited number of clients for a majority share of the revenue poses a risk to the company. This risk is in terms of the fact that company may lose any of its key customers or a problem in the customer's business may affect the company as well.

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 poses a risk to the company's revenue.

Technology Risk

The business in which Dixon deals in is affected with rapid change in technology. The company has to adopt dynamic changes in technology under electronics industry. The company has to be up to date with the rapidly changing technologies.

Dixon has installed measures which lead to a cost-effective way of production. Moreover, the company's aim to emerge as a cost-efficient player and attain cost leadership will help it mitigate any global economic risks.

The company is in the electronics business since 1993, thus having an experience of over 25 years. Company's senior management has an average experience of more than 20 years in the industry. This allows the company to capture the right opportunities at right time.

Dixon is in the industry of electronics. With rise in standard of living of people, and a change in lifestyle electronics industry is expected to grow in the years to come. The industry may face a change in preference but it will never cease to exist.

Dixon has successfully maintained a strong relationship with its key customers. Some of its customers are connected with the company since last 10-12 years. Also, Dixon is constantly expanding its customer base which will help it to deal with this risk.

The company has made it sure to obtain or renew its licenses, permits, consents, and approvals from the government. This is being done in a manner so that Dixon's approvals are not delayed and thus there is no effect on the operations of company.

The company has always moved ahead with changing technology. Its R&D centers is equipped with the latest technology. Moreover, the company has expanded its product portfolio along with a change in technology in the market. For example, the company is planning to launch fully automatic washing machines to be in line with the change in 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 self-audits and internal as well as statutory auditors.

Human Resource

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset. For more details refer initial section of the Annual Report.

Outlook

For outlook kindly refer the Director's Report.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance

For Dixon Technologies (India) Limited ("Dixon/Company"), the philosophy of Corporate Governance focuses on creating and sustaining a deep relationship of trust and transparency with all stakeholders. Good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The norms and processes of Corporate Governance reflect our commitment to make timely disclosures and share accurate information regarding our financial and operational performance. 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 statutory policies and 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.

d. Separate meeting of Independent Directors without the presence of Executive Directors/Non- Independent Directors

e. 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.

f. Performance evaluation of Board, Board's Committees, all Directors including Chairman and Managing Director.

g. 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, 2021.

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

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 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, 2021

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), your Company's Board has an optimum combination of exceedingly experienced Executive and Non-Executive Directors with more than two third of the Board comprising Independent Directors.

SIZE AND COMPOSITION OF BOARD

Category	Name of Director	Age
Promoter and Executive Director	Mr. Sunil Vachani	52 years
Executive Director	Mr. Atul B. Lall	59 years
Independent Directors/ Non-Executive Directors	Mr. Manoj Maheshwari	55 years
	Dr. Manuji Zarabi	73 years
	Dr. Rakesh Mohan	73 years
	Ms. Poornima Shenoy	56 years
	Mr. Keng Tsung Kuo	62 years

Your Company does not have any lead independent director considering each of the Independent Directors on the Board and highly experienced and distinguished in their own area of expertise/field. Each of the Independent Director are advocates of strong governance culture. Also, none of the Directors including Independent Director resigned from the Board of your Company.

Attendance of Directors at Board Meeting(s) as on 31st March, 2021

During the period under review, 6 (six) Board meetings were held on 11th June, 2020, 4th August, 2020, 22nd August, 2020, 30th October, 2020, 2nd February, 2021 and 23rd March, 2021 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. Also, due to the pandemic condition caused by covid-19 and pursuant to MCA circulars, meetings were held through video conferencing mode.

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, 2021

Name of Director	No. of Board Meeting attended during the year	Attendance at last Annual General Meeting	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	Absent	1,98,09,520; 33.82%	5	Dixon Technologies (India) Limited- Executive Chairman & Wholetime Director	Nil	Nil
Mr. Atul B. Lall	6	Present	20,78,335; 3.55%	4	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	6	Present	Nil	3	Dixon Technologies (India) Limited- Independent Director	Nil	1
Mr. Manoj Maheshwari	6	Present	Nil	2	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*	1	NA*	Nil	3	a. Dixon Technologies (India) Limited- Independent Director b. Kirloskar Brothers Limited Independent Director	Nil	1

*Dr. Rakesh Mohan was appointed as additional director in the capacity of Non- executive and Independent Director w.e.f 2nd February, 2021.

^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.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the 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.

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 in 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-%2027.04.2021.pdf. The Independent Directors of your company fulfill 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.

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

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. Pursuant to Section 149(8) read together with Schedule IV of the Act and Regulation 25(3) and 25(4) of SEBI Listing Regulations, separate meeting of Independent Directors was held on 23rd March, 2021 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 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. During the year under review, such familiarisation programme was organised on 23rd March, 2021 wherein the Board of Directors were apprised about the functions, operations and financial positions/projections of the Company.

Details of Familiarization programme imparted to Independent Directors is available at the following weblink: https://dixoninfo.com/json/dixon/codes-policy/Code%20for%20Independent%20Director%20and%20familiarization%20programme_Final%20-%2031.05.2021.pdf Also, the Corporate Affairs Department of your Company 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.

The following are the core skills/expertise/competencies identified by the Board of directors as required in the context of its business(es) and sector(s) for it to function effectively along with the names of the Directors who possess such skills/expertise/competencies as identified by the Board:

Mr. Sunil Vachani

Whole Time Director & Executive Chairman

Qualification	Associate of Applied Arts in Business Administrations
Experience	Over 29 years 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	Nearly 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
- Marketing and Communication
- Business Experience
- Technology/ Digital skills/R & D
- Experience in Electronic Industry
- Identification of Challenges and providing solutions

Dr. Manuji Zarabi

Non-Executive & Independent Director

Qualification	Doctor of Philosophy from the Indian Institute of Science, Bangalore
Experience	He has over 30 years of experience 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.

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	Over Three 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 34 years of experience .

Area of Skill/expertise/Competence

- Strategy and Planning
- Business Experience
- Application of Corporate Governance principles
- 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	Over 30 years 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
- Marketing and Communication
- Business Experience
- Technology/ Digital skills/R & D
- Experience in Electronic Industry
- Identification of Challenges and providing solutions

Dr. Rakesh Mohan

Non-Executive & Independent Director

Qualification	a) BSc (Eng) from Imperial College of Science & Technology, University of London b) a BA from Yale University c) MA and Ph.D. in economics from Princeton University
Experience	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
- Application of Corporate Governance principles
- Identification of Risk
- Qualification and Experience in accounting and/or finance
- Government relations
- Identification of Challenges and providing solutions

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.

In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in SEBI Listing Regulations and are independent of the management of the Company.

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 held on 29th September, 2020.

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 2020-21, 5 (Five) meetings of the Audit Committee were held on 11th June, 2020, 4th August, 2020, 30th October, 2020, 2nd February, 2021 and 23rd March, 2021. 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, 2021:

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	5
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 29th September, 2020.

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 2020-21, 5 (five) meetings of the NRC were held on 4th August, 2020, 22nd August, 2020, 30th October, 2020, 2nd February, 2021 & 23rd March, 2021. 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, 2021

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	5
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 from the previous Board evaluation, which included further strengthening the Board's effectiveness included, inter alia, institutionalising the process for oversight of affairs of subsidiary companies by the Board, increasing engagement with senior management and discussions on specific businesses and regions, etc., were implemented during the year.

Succession Planning

The NRC has 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 on 11th June, 2020, 4th August, 2020, 30th October, 2020 & 2nd February, 2021. 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, 2021:

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 2020-21

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up is as under:

Particulars	Number of Complaints
Investor queries/complaints pending at the beginning of the Year -1st April, 2020	NIL
Investor queries/complaints received during the Year	14
Investor queries/complaints disposed of during the Year	14
Investor queries/complaints remaining unresolved at the end of Year - 31st March, 2021	NIL

No. of shareholders as on 31st March, 2020

No of shareholders as on 31st March, 2021

Also, from time to time, the Company has encouraged members, whose email id are not registered with the Company, to get the same registered in order to effectively communicate with them.

Paperless communication with more than 96% of members having a registered e-mail address.

Details of the Compliance officer of your Company:

Name: Mr. Ashish Kumar

Designation: Group CS, Head-Legal & HR

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, 3 (Three) meetings of the Committee were held on 11th June, 2020, 30th October, 2020 & 2nd February, 2021. 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, 2021:

Name of Director	Position in the Committee	Designation	Corporate Social Responsibility Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Chairman	Executive Chairman	3	3
Dr. Manuji Zarabi	Member	Independent Director	3	3
Mr. Atul B. Lall	Member	Vice Chairman & Managing Director	3	3

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 provisions of Regulation 21 of the SEBI Listing Regulations became applicable on your Company w.e.f. 1st April, 2019. Therefore, the Board of Directors had constituted Risk Management Committee at its Meeting held on 24th May, 2019 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, 1 (one) meeting of the Risk Management Committee was held on 22nd January, 2021.

Mr. Atul B. Lall, Vice Chairman & Managing Director of your Company is Chairman of the said Committee. Mr. Manoj Maheshwari and Mr. Keng Tsung Kuo, Independent Directors are members of the said Risk Management Committee. All the members attended the meeting.

The Company Secretary of the Company acts as the Secretary to the Committee.

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, 2021:

Name of Director	Position in the Committee	Designation
Mr. Sunil Vachani	Member	Executive Chairman
Mr. Atul B. Lall	Member	Vice Chairman & Managing Director

The Company Secretary of the Company acts as the Secretary to the Committee.

H 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 2018. During the year under review, 3 (Three) meetings of the Share Allotment Committee were held on 6th November, 2020, 2nd December, 2020 and 18th February, 2021.

Details of Share Allotment Committee Meetings held during the financial year ended as on 31st March, 2021:

Name of Director	Position in the Committee	Designation	Share Allotment Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Member	Executive Chairman	3	0
Dr. Manuji Zarabi	Member	Independent Director	3	2
Mr. Atul B. Lall	Member	Managing Director	3	2
Mr. Manoj Maheshwari	Member	Independent Director	3	2

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.

During the year, the Research & Development Committee met once on 20th January, 2021. Both the members were present at the meeting

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.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 2020-21 was as under:

(₹ in Lakhs)

NAME OF THE NON-EXECUTIVE DIRECTOR	SITTING FEE	COMMISSION	TOTAL
Dr. Manuji Zarabi	3.9	7.5	11.4
Ms. Poornima Shenoy	2.9	7.5	10.4
Mr. Manoj Maheshwari	3.2	7.5	10.7
Mr. Keng Tsung Kuo	1.85	7.5	9.35
Dr. Rakesh Mohan	0.75	-	0.75
Total	**12.6**	**30**	**42.6**

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 2020-21 other than the remuneration as detailed above.

During the year 2020-21, the Non- Executive Directors of the Company had no pecuniary relationship or transactions with your Company.

Also, at the Board Meeting held on 23rd March, 2021, the sitting fee payable to Directors for attending the Board Meeting was revised from ₹ 20,000 per meeting to ₹ 75,000 per meeting. Also, the sitting fee payable to members of Audit Committee was revised from ₹ 10,000 to ₹ 25,000 per meeting. The revised sitting fee was effective from 23rd March, 2021. The sitting fee for other committees of the Board remained unchanged.

Remuneration to Executive Directors

The shareholders at the Extra-Ordinary General meeting held on 5th May, 2017 appointed Mr. Sunil Vachani, Executive Chairman of your Company as the Whole Time Director, liable to retire by rotation for a period of five years effective 5th May, 2017 on certain terms and conditions including remuneration. The remuneration includes fixed and variable salary, Commission (if any), contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc. as applicable to the employees of your Company. At the said meeting dated 5th May, 2017, Mr. Atul B. Lall was re-appointed as Managing Director for a period of five years effective 5th May, 2017, liable to retire by rotation by the shareholders on certain terms and conditions including his remuneration comprising of fixed and variable salary, Commission (if any), contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc. as applicable to the employees of your Company. Furthermore, at the ensuing 28th Annual General Meeting of the Company, it is proposed to re-appoint the aforesaid Executive Directors i.e. Mr. Sunil Vachani and Mr. Atul B. Lall as Whole time Director and Managing Director, respectively.

The details of remuneration paid to each of the Directors during the year ended 31st March, 2021 are given below:

Details of Remuneration of Directors:

(₹ in Lakhs)

Name of Director	Fixed Salary				Bonus / Performance Linked Incentive	Sitting Fee	Commission	Stock Options	Total
	Basic Salary and allowances	Perquisites	Others	Total Fixed Salary					
Mr. Sunil Vachani	213.07	5.45	-	218.52	-	-	250.48	-	469.00
Mr. Atul B. Lall	187.40	4.52	-	191.92	-	-	413.03	Note (3)	604.95

Notes:

(1) The amount of Commission is calculated on the profits of Financial Year ended 31st March, 2021 as per the Financial Statements thereto and the same shall be paid during the Financial Year ending 31st March, 2022.

(2) The Commission calculated on the profits of Financial Year ended 31st March, 2020 as per the Financial Statements thereto was paid by the Company during the Financial Year ended 31st March, 2021 which was ₹ 257.40 Lakhs and ₹ 284.00 Lakhs for Mr. Sunil Vachani and Mr. Atul B Lall, respectively.

(3) For details pertaining to ESOP granted during the year, please refer Annexure - II 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
2017-18	25th July, 2018 at 03.00 P.M.	International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301	a. Authorisation to Board under Section 180(1)(c) b. Authorisation to Board under Section 180(1)(a) c. Approval of Inter-corporate loans, Investments, Guarantee or security and acquisition d. Approval of Dixon Technologies (India) Limited - Employee Stock Option Plan- 2018 ("Dixon ESOP 2018") e. Grant of Stock options to the employees of subsidiary companies under Dixon Technologies (India) Limited - Employee Stock Option Plan- 2018 ("Dixon ESOP 2018") f. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013
2018-19	31st July, 2019 at 11.00 A.M.	International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301	a. Re-Appointment of Mr. Manoj Maheshwari (DIN: 02581704) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 3rd May, 2020. b. Re-Appointment of Dr. Manuji Zarabi (DIN: 00648928) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 23rd February, 2020. c. Re-Appointment of Ms. Poornima Shenoy (DIN: 02270175) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 23rd February, 2020
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")

Resolutions passed through Postal Ballot conducted via Kfin Technologies Private Limited

Resolution	Resolution Type	Date of passing Resolution
Sub-Division of Equity Shares having the face value of ₹ 10/- per share to ₹ 2/- per share	Ordinary Resolution	7th March, 2021
Alteration of Clause V i.e. Capital Clause of the Memorandum of Association of the company	Ordinary Resolution	7th March, 2021
Alteration under clause III - object clause of the Memorandum of Association of the Company	Special Resolution	12th May, 2021

Note : No other Postal Ballot is proposed by 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 Private 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. 21st September, 2021 shall be eligible to participate in the e-voting.

Participation and voting at 28th Annual General Meeting

Pursuant to the General Circular numbers, 14/2020, 17/2020, 20/2020, 02/2021 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by SEBI, the 28th 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 28th Annual General Meeting.

Extra-Ordinary General Body Meetings (including adjourned Meetings) during the FY 2020-21

Nil

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 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 2020-21 are as follows:

Quarter ended	Date of Board Meeting where Quarterly results were approved	Date of Publishing in Newspaper (English And Hindi)
30th June, 2020	4th August, 2020	5th August, 2020
30th September, 2020	30th October, 2020	31st October, 2020
31st December, 2020	2nd February, 2021	3rd February, 2021
31st March, 2021	27th May, 2021	Tentatively 28th May, 2021

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.

Details of any scheduled Analysts Meet/Conference Call are usually intimated to the Stock Exchanges in advance.

General Shareholder Information

Annual General Meeting

Day and Date : Tuesday and 28th September, 2021

Time : 11:00 a.m.

Mode : Video Conferencing/Other Audio Visual Means ("VC/OAVM")

E-Voting dates: From 09:00 A.M. on 25th September, 2021 (Saturday) to 05.00 P.M. on 27th September, 2021 (Monday)

Financial Year

1st April, 2020 – 31st March, 2021

Tentative Financial Calendar – for the Financial Year ending 31st March, 2022

Quarterly Results for the Quarters ending 30th June, 2021, 30th September, 2021, 31st December, 2021, 31st March, 2022 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 2021-22 will be tentatively held between April-September, 2022. The Financial Results/statements for the FY 2021-22 will be published in Newspapers alongwith 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 22nd September, 2021 to 28th September, 2021, 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/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, 2021 an amount of ₹ 41,680 remains unclaimed by shareholders for the dividend declared during the FY 2017-18 to FY 2019-20.

During the year under review, your company did not declare any dividend.

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 NSE Limited and BSE Limited . The annual listing fees for the Financial Year 2021-22 to BSE and NSE has been paid.

Name of Stock Exchanges	Stock/ Scrip Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540699
National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Mumbai 400 051	DIXON

Market price data, during each month

(in ₹)

Month	BSE Sensex		NSE Nifty 500	
	High	Low	High	Low
April'20	33,887.25	27,500.79	8,041.05	6,619.55
May'20	32,845.48	29,968.45	7,834.05	7,234.45
June'20	35,706.55	32,348.10	8,699.55	7,839.15
July'20	38,617.03	34,927.20	9,180.70	8,466.70
August' 20	40,010.17	36,911.23	9,747.05	8,925.05
September'20	39,359.51	36,495.98	9,640.95	8,933.95
October'20	41,048.05	38,410.20	9,822.95	9,423.80
November'20	44,825.37	39,334.92	10,804.10	9,524.20
December'20	47,896.97	44,118.10	11,548.35	10,734.30
January'21	50,184.01	46,160.46	12,167.95	11,273.55
February'21	52,516.76	46,433.65	12,724.55	11,304.00
March'21	51,821.84	48,236.35	12,816.15	11,939.00

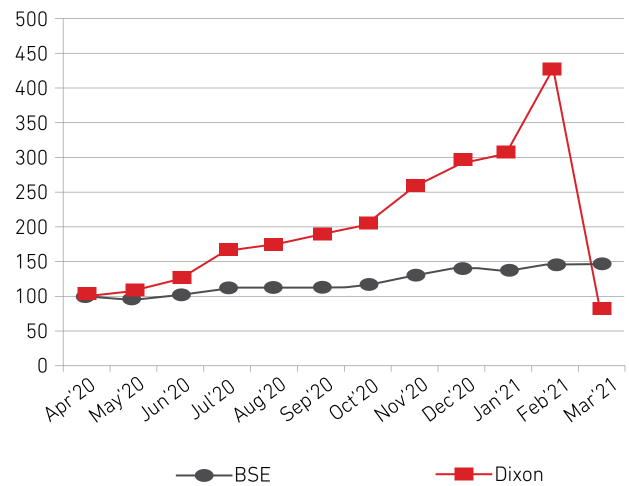
Stock Market Price Data

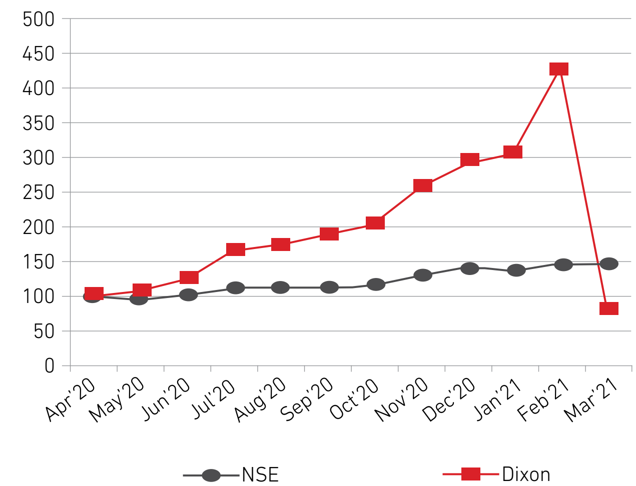
(in ₹)

Month	BSE		NSE	
	High	Low	High	Low
April'20	4,694.00	3,380.00	4696.00	3375.15
May'20	4,950.00	4,151.00	4955.00	4185.00
June'20	6,050.00	4,800.00	6080.00	4835.20
July'20	7,809.75	5,675.00	7800.00	5670.00
August' 20	8,821.85	7,529.00	8824.00	7525.00
September'20	10,280.70	7,766.00	10289.50	7915.00
October'20	9,990.45	8,390.00	10000.00	8375.00
November'20	11,999.00	9,322.90	11988.00	9400.00
December'20	13,906.95	11,284.60	13909.85	11274.95
January'21	16,787.65	13,364.70	16786.00	13403.25
February'21	20,440.00	14,191.80	20448.00	14200.00
March'21 (Pre Split)	21500.00	18567.00	21499.00	18750.05
March' 21 (Post Split)*	4588.00	3344.45	4457.70	3345.15

*The Company has sub-divided its equity shares having face value of ₹ 10 each to ₹ 2 each w.e.f. 19th March, 2021.

Performance in comparison to broad- based indices such as BSE Sensex, Nifty 500 Index





*The Company has sub-divided its equity shares having face value of ₹ 10 each to ₹ 2 each w.e.f. 19th March, 2021

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 Private 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, 2021

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	2,17,529	99.764724	67,11,097	1,34,22,194	11.458376
5001- 10000	152	0.069711	5,40,159	10,80,318	0.922255
10001- 20000	96	0.044028	6,78,585	13,57,170	1.158601
20001- 30000	47	0.021555	5,94,765	11,89,530	1.015488
30001- 40000	18	0.008255	3,22,616	6,45,232	0.550827
40001- 50000	28	0.012842	6,58,957	13,17,914	1.125088
50001- 100000	54	0.024766	20,76,161	41,52,322	3.544791
100001& Above	118	0.054118	4,69,87,015	9,39,74,030	80.224573
Total	**2,18,042**	**100.00**	**5,85,69,355**	**11,71,38,710**	**100.00**

Dematerialisation of Shares and liquidity:

As on 31st March, 2021, 99.99978 % 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, 2021

Your Company does not have any outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2021.

Details of Public Funding Obtained:

During the FY 2020-21, your Company has not raised any moneys by way of initial public offer or 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

Also, your company imports certain raw materials from various sources, for various products of the Company. Your Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

Details of foriegn 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:

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 2020-21
Dixon Technologies (India) Limited	28.17
Dixon Global Private Limited	3.85
Padget Electronics Private Limited	14.27
AIL Dixon Technologies Private Limited	3.47
Dixon Electro Appliances Private Limited	0.12
Dixon Electro Manufacturing Private Limited	0.12
Dixon Technologies Solutions 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 2020-21: 0

b. Number of complaints disposed of during FY 2020-21: 0

c. Number of complaints pending as on end of the FY 2020-21:0

Plant Locations

Following are the list of Manufacturing Facilities located PAN India, on consolidated basis:

Plant location (Addresses)	Products manufactured
B-14 and 15, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	LED bulbs, PCB assembly of Air conditioners
B-17&18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	Mobile phones`
C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	LED Bulbs
B-45, Phase II Extension, Noida, UP- 201305	LED bulbs and parts
Plot No. 6, Sector-90, Noida	Mobile Phones
A-163A, Sector – 80 Noida	Lighting Products
A – 23, Sector-60, Noida	Mobile Phones
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. 1 and 3, EMC II, Govindavaram, Chittoor- 517526	CCTVs and DVRs
Shed No. 2, 4, 5, 6, 7, 8, 9, 10 EMC II, Govindavaram, Chittoor- 517526	LED TVs & Reverse Logistics
Plot No. 30&31, EMC II, Govindavaram, Chittoor- 517526	Washing Machine

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 PRIVATE 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 2020-21;

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: Please refer Director's Report

Other Disclosures

Material Related Party Transactions:

Your Company's major related party transactions are generally with its Wholly Owned Subsidiary 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/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 related party transactions on a consolidated basis as per the timelines specified under the said regulations.

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 behavior, 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 2020-21.

This Policy is overseen by the Audit Committee. Through the said Policy, Directors and employees can report concerns of unethical behavior, 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.

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-on-material-subsidiary.pdf and;

b. Web link of Policy on dealing with related party transactions is https://dixoninfo.com/json/dixon/codes-policy/related-party-transaction-policy.pdf

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. 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. Atul B. Lall	Dr. Rakesh Mohan
Nature of Appointment	Director liable to retire by rotation	Director liable to retire by rotation	Not liable to retire by rotation
DIN	00025431	00781436	02790744
Date of Birth	27th November, 1968	5th January, 1962	14th January, 1948
Date of Appointment/ Re-appointment	15th January, 1993	30th June, 2000	2nd February, 2021
Qualification	Degree of Associate of Applied Arts in Business Administration	Master's degree in management studies from the Birla Institute of Technology and Science, Pilani	BSc (Eng) from Imperial College of Science and Technology, University of London (1969), a BA from Yale University (1971) and an MA and Ph.D. in economics from Princeton University

Name of Director	Mr. Sunil Vachani	Mr. Atul B. Lall	Dr. Rakesh Mohan
Expertise in Specific area	With nearly three decade of experience in the EMS industry	About 30 years of experience in the EMS industry	5 (five) decades of rich and considerable experience in central banking, monetary policy, infrastructure and urban affairs
Directorships in other Companies	**Unlisted Entity:** • Padget Electronics Private Limited • Dixon Electro Appliances Private Limited • Dixon Electro Manufacturing Private Limited • Dixon Technologies Solutions Private Limited • AIL Dixon Technologies Private Limited • Dixon Devices Private Limited **Listed Entity** Dixon Technologies (India) Limited NIL	**Unlisted Entity:** • Padget Electronics Private Limited • Dixon Electro Appliances Private Limited • Dixon Electro Manufacturing Private Limited • Dixon Technologies Solutions Private Limited • Dixon Devices Private Limited **Listed Entity** Dixon Technologies (India) Limited NIL	**Unlisted Entity:** • CSEP Research Foundation • The Mahindra United World College of India **Listed Entity** • Kirloskar Brothers Limited • Dixon Technologies (India) Limited
Membership / Chairman of Committees (other than your Company)*	NIL	NIL	NIL
Shareholding in the Company	19809520 equity shares (33.82%) as on 31st March, 2021	2078335 equity shares (3.55%) as on 31st March, 2021	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, 2021 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 2020-21.

For **Dixon Technologies (India) Limited**

Sd/-
Atul B. Lall
(Vice Chairman & Managing Director)

Date: 27th May, 2021

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, 2021, 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 complied with the conditions of Corporate Governance as stipulated under Listing Regulations for the year ended 31 March 2021.

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: Ghaziabad
Date: 27-05-2021
UDIN: F008273C000378049

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, 2021 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	30/06/2000
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.	Mr. 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**

Shirin Bhatt
Proprietor
C.P. No. 9150
M.No. F8273
PR No. 1209/2021

Place: Ghaziabad
Date: 27-05-2021
UDIN: F008273C000378027

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, 2021 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 changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statement; and

    iii. that there are no instances of significant fraud of which we have become aware.

Sd/-
Atul B.lall
(Managing Director)

Sd/-
Saurabh Gupta
(Chief Financial officer)

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, 2021, 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 2021,and 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 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 matter described below to be the key audit matter 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 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 of ₹ 109.88 lakhs as at 31 March 2021. The Company's accounting policy on derivatives is disclosed in note 2.23 and related disclosures are included in note 40. 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.	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.

Key audit matter	How our audit addressed the key audit matter
Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.	We have also obtained written representations from management on whether the significant assumptions used in valuation of derivatives are considered reasonable.

Other Information

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 of the information included in Director's Report, Management Discussions and Analysis (MD&A) and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon, which we obtained on the date of this auditor's report.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, 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 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director is 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 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 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, 2016 ("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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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) 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, 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, 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 34 (a) 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 34 (g) 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 34 (f) to the standalone financial statements.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 21087701AAAADH3030

Place: New Delhi
Date: 27 May, 2021

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 2021)

(i) In respect of the Company's fixed assets (comprising of property, plant and equipment and other intangible assets)

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets under which fixed 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 fixed assets 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 the records examined by 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.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loan to companies, director and key managerial personnel covered in the register maintained under section 189 of the Companies Act, 2013;

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) The loans are repayable on demand.

(c) there are no overdue amount in respect of loans granted to such company, director and key managerial personnel.

(iv) In our opinion and according to the information and explanations given to us, company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and 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). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made 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 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax ('GST'), cess, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable. The operation of the Company do not give rise to dues of duty of excise, value added tax, sales tax and service tax.

b. According to the information and explanations given to us, the dues outstanding in respect of income-tax, goods and service tax, custom duty, duty of excise, sales tax and value added tax and other statutory dues on account of any dispute, are as follows:

Name of statue	Nature of dues	Amount (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	172.52	–	2013-14	Income Tax Appellate Tribunal
	Income Tax	2,175.51	–	2014-15, 2016-17, 2017-18	Commissioner of Income Tax (Appeals)
		2,348.03	**–**		
Goods and Services Tax Act, 2017	Goods and Services Tax	18.99	2.44	2017-18 2018-19 and 2019-20	Assistant Commissioner of Goods and Services Tax
	Goods and Services Tax	7.49	7.49	2019-20	Joint Commissioner (Appeal) of Goods and Services
		26.47	**10.03**		
Custom Act, 1962	Custom Duty	149.50	9.89	2009-10, 2010-11, 2011-12, 2013-14 and 2014-15	Customs Excise and Service Tax Appellate Tribunal
	Custom Duty	406.51	1.76	2009-10, 2010-11 and 2011-12	Commissioners of Customs
	Custom Duty	42.68	120.00	2011-12	Additional Commissioners of Customs
	Custom Duty	221.14	–	2015-2018	Directorate Of Revenue Intelligence
		819.83	**131.65**		
Central Excise Act, 1944	Excise Duty	453.82	–	2007-08	Supreme Court
	Excise Duty	376.53	28.16	2012-13, 2013-14, 2014-15 and 2015-16	Customs Excise and Service Tax Appellate Tribunal
	Excise Duty	36.24	–	2008-09	Commissioner of Central Excise
	Excise Duty	28.52	–	2009-10	Additional Commissioner of Central Excise
	Excise Duty	8.13	2.25	2007-08	Assistant commissioner of Central Excise
		903.24	**30.41**		
Central Sales Tax Act, 1956	Sales Tax	8.02	1.22	2009-10, 2010-11 and 2011-12	High Court
	Sales Tax	203.33	36.28	2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2017-18,	Joint Commissioner
	Sales Tax	4.13	0.59	2009-10, 2011-12,	Deputy Commissioner
	Sales Tax	0.76	0.76	2014-15	Assistant Commissioner
		216.25	**38.85**		

The operation of the Company do not give rise to dues of service tax.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions and banks. The Company has no outstanding dues in respect of government loans and there are no dues payable to any debenture holder during the year.

(ix) In our opinion and according to the information and explanations given to us, money raised by further public offer of equity shares and term loans availed by the Company during the year were, prima facie, applied by the Company for the purposes for which the moneys were raised, other than temporary deployment pending allocation.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) 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 Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause3 (xiv) of the order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause3 (xv) of the order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause3 (xvi) of the order are not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 21087701AAAADH3030

Place: New Delhi
Date: 27 May, 2021

Annexure B

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 2021 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 with reference to the financial statements 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 (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 the 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the 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 the financial statements.

Meaning of Internal Financial Controls with reference to the 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 the 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 the 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 the financial statements and such internal financial controls with reference to the financial statements operating effectively as at 31 March 2021, based on the internal control with reference to the financial statements 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's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 21087701AAAADH3030

Place: New Delhi
Date: 27 May, 2021

Standalone Balance Sheet

as at 31 March, 2021

(₹ in Lakhs)

	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	29,116.60	26,273.89
(b) Capital work-in-progress		7,155.20	955.21
(c) Intangible assets	6	387.39	432.70
(d) Right to use assets	37	8,614.03	8,336.61
(e) Financial assets			
i. Investments	7	4,503.01	4,501.01
ii. Other financial assets	8	1,037.02	857.04
(f) Other non-current assets	9	1,614.09	1,802.56
		52,427.34	**43,159.02**
Current assets			
(a) Inventories	10	55,543.66	36,399.76
(b) Financial assets			
i. Investments	7	9,525.31	–
ii. Trade receivables	11	1,00,300.22	42,861.23
iii. Cash and cash equivalents	12	3,605.12	9,334.58
iv. Other bank balances	13	488.07	434.27
v. Loans	14	5,900.00	–
vi. Other financial assets	8	1,100.00	2,586.82
(c) Other current assets	9	13,010.79	7,353.66
		1,89,473.17	**98,970.32**
TOTAL ASSETS		**2,41,900.53**	**1,42,129.34**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,171.39	1,157.01
(b) Other equity	16	69,061.19	50,259.46
		70,232.58	**51,416.47**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	17	5,637.97	957.16
ii. Other financial liabilities	18	8,541.90	8,127.36
(b) Provisions	19	829.90	625.80
(c) Deferred tax liabilities (net)	20	1,455.02	1,257.50
		16,464.79	**10,967.82**
Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	21	7,125.27	6,297.97
ii. Trade payables	22		
Total outstanding dues of micro and small enterprises		5,159.90	1,526.59
Total outstanding dues of others		1,37,193.84	69,876.91
iii. Other financial liabilities	18	2,120.33	1,081.30
(b) Other current liabilities	23	3,052.32	503.75
(c) Provisions	19	543.46	438.41
(d) Current tax liabilities	24	8.04	20.12
		1,55,203.16	**79,745.05**
TOTAL EQUITY AND LIABILITIES		**2,41,900.53**	**1,42,129.34**

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: Delhi
Date: 27 May, 2021

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: 27 May, 2021

Standalone Statement of Profit and Loss

for the year ended 31 March, 2021

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31 March, 2021	Year Ended 31 March, 2020
	INCOME			
1	Revenue from operations	25	5,67,460.15	3,67,149.94
2	Other income	26	238.97	919.74
3	**Total income (1+2)**		**5,67,699.12**	**3,68,069.68**
4	**EXPENSES**			
	(a) Cost of materials consumed	27	5,06,070.33	3,21,211.23
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	119.17	(3,157.41)
	(c) Employee benefits expense	29	12,548.65	10,873.90
	(d) Finance costs	30	2,591.11	3,509.92
	(e) Depreciation and amortisation expense	31	3,845.71	3,178.30
	(f) Other expenses	32	21,907.65	18,213.20
	Total expenses (4)		**5,47,083.02**	**3,53,829.14**
5	Profit before exceptional items and tax (3-4)		20,616.10	14,240.54
6	Exceptional items		–	–
7	**Profit before tax (5-6)**		**20,616.10**	**14,240.54**
8	Tax expense:	33		
	(a) Current tax		5,343.56	3,645.33
	(b) Deferred tax		199.35	(523.72)
	(c) Income tax for earlier years (net)		(124.01)	58.47
	Tax expense (8)		**5,418.90**	**3,180.08**
9	Profit for the year (7-8)		**15,197.20**	**11,060.46**
10	**Other Comprehensive Income ('OCI')**			
	(a) Items that will not be reclassified to profit or loss - re-measurement of defined benefit liabilities		(7.00)	(66.67)
	(b) Income tax relating to items that will not be reclassified to profit or loss		1.83	17.08
	Other Comprehensive Income for the Year (Net of Tax)		**(5.17)**	**(49.59)**
11	**Total Comprehensive Income for the Year (9+10)**		**15,192.03**	11,010.87
12	Earnings per share	38		
	(Nominal value of share ₹ 2)			
	(a) Basic		26.14	19.38
	(b) Diluted		25.56	18.85

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: Delhi
Date: 27 May, 2021

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: 27 May, 2021

Standalone Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
A. Cash flow from operating activities		
Profit before tax	20,616.10	14,240.54
Adjustments for :		
Depreciation and amortisation expense	3,845.70	3,178.30
Finance Costs	2,591.11	3,509.92
(Gain) /Loss on Exchange fluctuation on borrowings	58.95	319.43
Provision for impairment of property, plant and equipment	205.00	240.00
Interest income	(140.26)	(237.08)
Dividend Income	–	(450.00)
Rent income waiver	(56.66)	–
Income from Mutual fund Investment	(37.98)	–
Provision for doubtful debts / loans and advances written back	(4.07)	(225.04)
Loss on sale of property, plant and equipment	32.93	29.01
Excess liabilities, credit balances, provisions etc. written back	–	(1.49)
Share based payment of employees	937.90	568.12
Bad debts write off	3.22	394.12
	28,051.94	**21,565.83**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(19,143.90)	(6,705.15)
Trade receivables	(57,438.15)	911.21
Other current assets	(5,656.24)	(1,152.64)
Other financial assets		
- non-current	(179.98)	(227.89)
- current	1,486.67	(680.13)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	70,949.38	16,169.93
Other financial liabilities	109.88	(272.97)
Other current liabilities	2,548.57	(2,153.75)
Provisions	302.13	212.01
Cash generated from operating activities	**21,030.30**	**27,666.45**
Income tax paid (net)	(5,231.63)	(3,860.83)
Net cash generated from/ (used in) operating activities	**15,798.67**	**23,805.62**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment and intangible assets	(11,331.42)	(8,906.84)
Sale proceeds of property, plant and equipment	21.06	186.41
Investment in Mutual Funds	(9,525.30)	–
Loan given (net)	(5,900.00)	–
Equity investments in shares of subsidiaries	(2.00)	(2,701.00)
(Increase) / decrease in bank balance not classified as cash and cash equivalent	(53.80)	1,424.10
Income from mutual fund investment	37.98	–
Dividend Income	–	450.00
Interest income received	140.26	237.08
Net cash generated from/(used in) investing activities	**(26,613.22)**	**(9,310.25)**

Standalone Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
C. Cash flow from financing activities		
Interest paid	(2,995.40)	(3,511.04)
Proceeds from issue of share	2,685.86	4,569.68
Proceeds/ (repayment) from current borrowings (net)	768.88	(6,824.13)
Proceeds of non Current financial Borrowings	4,679.95	495.57
Repayment of non Current financial Borrowings	(54.20)	(47.56)
Dividend paid	–	(689.31)
Dividend distribution tax paid	–	(49.19)
Net cash generated from/(used in) financing activities	**5,085.09**	**(6,055.98)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(5,729.46)**	**8,439.39**
Cash and cash equivalents at the beginning of the year	9,334.58	895.19
Cash and cash equivalents at the end of year (refer note 12)	**3,605.12**	**9,334.58**

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 flow.

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

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: Delhi
Date: 27 May, 2021

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: 27 May, 2021

Standalone Statement of Changes in Equity

for the year ended 31 March, 2021

a. Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 31st March 2019	1,132.51
Add: Shares issued under employee stock option scheme (see note 41)	24.50
Balance as at 31st March 2020	**1,157.01**
Add: Shares issued under employee stock option scheme (see note 41)	14.38
Balance as at 31st March 2021	**1,171.39**

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 31 March, 2019	704.94	9,604.05	33.24	264.26	24,333.14	(65.84)	34,873.79
Profit for the year	–	–	–	–	11,060.46	–	11,060.46
Dividend paid	–	–	–	–	(689.31)	–	(689.31)
Dividend distribution tax	–	–	–	–	(49.19)	–	(49.19)
Share options expenses for the year	–	–	–	568.12	–	–	568.12
Transfer for share option exercised during the year	405.77	–	–	(405.77)	–	–	–
Premium on issue of share under employees stock option scheme	–	4,545.18	–	–	–	–	4,545.18
Remeasurement Gain/(Loss) on defined benefit plans	–	–	–	–	–	(49.59)	(49.59)
Balance as at 31 March, 2020	**1,110.71**	**14,149.23**	**33.24**	**426.61**	**34,655.10**	**(115.43)**	**50,259.46**
Profit for the year	–	–	–	–	15,197.20	–	15,197.20
Dividend paid	–	–	–	–	–	–	–
Dividend distribution tax	–	–	–	–	–	–	–
Share options expenses for the year	–	–	–	937.90	–	–	937.90
Transfer for share option exercised during the year	492.78	–	–	(492.78)	–	–	–
Premium on issue of share under employees stock option scheme	–	2,671.80	–	–	–	–	2,671.80
Remeasurement Gain/(Loss) on defined benefit plans	–	–	–	–	–	(5.17)	(5.17)
Balance as at 31 March, 2021	**1,603.49**	**16,821.03**	**33.24**	**871.73**	**49,852.30**	**(120.60)**	**69,061.19**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

1 Corporate Information

Dixon Technologies (India) Limited ('the Company') is a Public Limited Company incorporated in India having its registered office located at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN - L32101UP1993PLC066581. It was incorporated as per the provisions of the Companies Act as Dixon Utilities and Exports Private Limited in the year 1993. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company transformed from being a manufacturer of electronic goods to leading multi-product corporation with widespread activities. The Company is primarily engaged in the manufacturing of electronics as its core business activity.

2 Basis of Accounting

2.1 Statement of Compliance

Standalone Financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

The Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

The Financial statements of the Company for the year ended 31 March, 2021 have been approved by the Board of Directors in their meeting held on 27 May, 2021

2.2 Basis of preparation of financial statements

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

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 Current vs. Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.4 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All Financial information presented in INR has been rounded off to the nearest lakh as per the requirements of Schedule III of "the Act" , unless otherwise stated.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

2.5 Use of Estimates and Judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

The areas involving critical estimates or judgments are:

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2.7.

Fair value measurement of financial instruments

When the fair value 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 inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.23, 2.27.

2.6 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out ('FIFO') basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2.7 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.8 Property, Plant and Equipment

Recognition and Measurement:

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

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.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

Subsequent expenditure and componentisation

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. The carrying amount of the replaced part is derecognised. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation and Amortization

Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. The Company uses the useful life of assets as per Schedule II of the Companies Act, however in certain components of property, plant and equipment the life has been provided based on the useful life as follows:

Nature	Life in years
Plant and machinery	2-15 years
Tools and dies	15 years
Fan, coolers, air conditioners etc.	5 years
Computers	3 to 6 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each Financial year-end and adjusted if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

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 Investment properties

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

- Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

- Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

- Any gain or loss on 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.

- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of "the Act".

- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the 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.

2.10 Intangible Assets

Recognition and Measurement

The intangible assets comprises software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

- Intangible assets is amortised on straight line method over a period of three to six years.

- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

2.11 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

2.12 Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied: -

- The sale is highly probable, and

- The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non current assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

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2.13 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

2.14 Revenue Recognition

The Company engaged in the manufacturing washing machine, Moulding and Other Electronics etc.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Description of performance obligations are as follows:

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales-related warranties associated with sale of goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Interest Income

For all debt instruments measured either at amortized cost or at Fair Value through Other Comprehensive Income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the Financial instrument or a shorter period, where appropriate, to the gross carrying amount of the Financial asset.

Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Insurance claims

Insurance claims are accounted for on acceptance or to the extent amount have been received.

2.15 Leases

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

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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.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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 of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

2.16 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or 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 qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

2.17 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

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Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.18 Borrowing Cost

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Warranty Provision is measured at discounted present value using 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.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and 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 or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

2.20 Employee Benefits

Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Notes to Standalone Financial Statements

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Other Long Term Employee Benefits

Leave, as the leave accrued, if any, lapses at the end of the year and hence, no liability in respect of accrued leave arises.

Post Employment Benefits

The Company operates the following post employment schemes:

– Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

2.21 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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 equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.22 Interest in Subsidiaries and Jointly controlled entities

Investments in subsidiaries and jointly controlled entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.23 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity. 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.

Notes to Standalone Financial Statements

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Financial assets

– **Recognition and initial measurement:**

A Financial asset is initially measured at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

– **Classification and subsequent measurement:**

For purposes of subsequent measurement, Financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial assets.

– **Measured at amortized cost:**

A debt instrument is measured at the amortized cost if both the following conditions are met:

– The asset is held within a business model whose objective is achieved by both collecting 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 (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

– **Measured at FVTOCI:**

A debt instrument is measured at the FVTOCI if both the following conditions are met:

– The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and

– The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

– **Measured at FVTPL:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

– **Equity Instruments measured at FVTOCI:**

Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.

All other Financial instruments are classified as measured at FVTPL.

Derecognition

The Company derecognizes a Financial asset on trade date only 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 entity.

– **Impairment of Financial Assets**

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

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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:

- **Recognition and Initial Measurement:**

  Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement:**

  Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

- **Financial Guarantee Contracts**

  Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition**

  A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported 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 realize 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 counterparty.

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. The Company does not hold derivative Financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative 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 Statement of profit and loss immediately.

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.

2.24 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM comprises Board of directors, Vice Chairman & Managing Director and Chief Financial Officer which assesses the financial performance and position of the Company and makes strategic decisions.

2.25 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders

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by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.26 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

2.27 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

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 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the 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 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.28 Research and development expenditure

Research and development expenditure that do not meet the criteria for the recognition of intangible assets are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

a. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Specified format for disclosure of shareholding of promoters.

d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

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e. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

a. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements 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 judgement 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. Defined Benefit Obligation (DBO): 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 judgement 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 indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

h. 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 are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

i. Warranty : Warranty Provision is measured at discounted present value using 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, 2021

5 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land free hold	Land lease hold	Land	Office buildings	Factory buildings	Residential Building	Electric installations	Plant and machinery	Tools and dies	Fan, coolers, air conditioners etc.	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
At cost or deemed cost															
Balance as at 31 March, 2019	**542.10**	**651.72**	**1,017.64**	**454.03**	**4,611.51**	**–**	**637.15**	**12,454.99**	**2,294.78**	**376.85**	**247.80**	**1,500.80**	**540.22**	**452.71**	**24,588.48**
Additions	–	–	176.18	10.52	2,732.16	464.95	631.33	3,357.68	533.75	120.48	200.85	425.24	282.96	115.50	9,051.60
Disposals	–	–	–	–	–	–	–	130.49	122.45	0.38	–	7.45	15.77	4.51	281.05
Balance as at 31 March, 2020	**542.10**	**651.72**	**1,193.82**	**464.55**	**7,343.67**	**464.95**	**1,268.48**	**15,682.18**	**2,706.08**	**496.95**	**448.65**	**1,918.59**	**807.41**	**563.70**	**33,359.03**
Additions	–	–	–	–	440.67	–	116.79	3,885.85	1,006.30	28.93	100.42	151.40	241.39	185.42	6,157.17
Disposals	–	–	–	–	3.37	–	2.27	190.03	0.08	1.94	1.12	1.33	109.25	91.81	401.21
Balance as at 31 March, 2021	**542.10**	**651.72**	**1,193.82**	**464.55**	**7,780.96**	**464.95**	**1,383.00**	**19,378.00**	**3,712.30**	**523.94**	**547.95**	**2,068.66**	**939.55**	**657.31**	**39,114.99**
Accumulated depreciation and impairment															
i. Accumulated depreciation															
Balance as at 31 March, 2019	**–**	**23.67**	**23.67**	**13.39**	**416.72**	**–**	**151.42**	**2,228.03**	**442.44**	**180.14**	**82.04**	**273.35**	**210.48**	**244.82**	**4,266.50**
Charge for the Year	–	7.89	7.89	7.89	231.48	12.27	103.69	1,398.39	328.44	83.52	63.57	174.14	77.40	121.35	2,610.03
Disposals	–	–	–	–	–	–	–	78.58	1.06	0.37	–	2.90	10.94	0.79	94.64
Balance as at 31 March, 2020	**–**	**31.56**	**31.56**	**21.28**	**648.20**	**12.27**	**255.11**	**3,547.84**	**769.82**	**263.29**	**145.61**	**444.59**	**276.94**	**365.38**	**6,781.89**
Charge for the Year	–	7.90	7.90	6.95	310.28	12.27	136.01	1,646.00	222.62	76.77	86.26	189.83	106.28	125.60	2,926.77
Disposals	–	–	–	–	0.04	–	0.56	39.98	0.01	0.91	0.45	0.28	89.82	86.47	218.52
Balance as at 31 March, 2021	**–**	**39.46**	**39.46**	**28.23**	**958.45**	**24.54**	**390.56**	**5,153.86**	**992.43**	**339.15**	**231.42**	**634.15**	**293.39**	**404.51**	**9,490.14**
ii. Impairment Losses															
Balance as at 31 March, 2019	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**56.80**	**6.45**	**–**	**–**	**–**	**–**	**–**	**63.25**
Additions	–	–	–	–	–	–	–	240.00	–	–	–	–	–	–	240.00
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31 March, 2020	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**296.80**	**6.45**	**–**	**–**	**–**	**–**	**–**	**303.25**
Additions	–	–	–	–	–	–	–	205.00	–	–	–	–	–	–	205.00
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31 March, 2021	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**501.80**	**6.45**	**–**	**–**	**–**	**–**	**–**	**508.25**
Net carrying amount															
As at 31 March, 2020	**542.10**	**620.16**	**1,162.26**	**443.27**	**6,695.47**	**452.68**	**1,013.37**	**11,837.54**	**1,929.81**	**233.66**	**303.04**	**1,474.00**	**530.47**	**198.32**	**26,273.89**
As at 31 March, 2021	**542.10**	**612.26**	**1,154.36**	**436.32**	**6,822.52**	**440.41**	**992.44**	**13,722.34**	**2,713.42**	**184.79**	**316.53**	**1,434.51**	**646.15**	**252.80**	**29,116.60**

Notes:

i. Free hold land includes land purchased in auction held by a Nationalised bank in the year 2016-17 marked as Plot no C 2/1,selaqui, Dehradun, Uttarakhand and registered in the name of the company. During the said year and thereafter, a party has instituted legal case disputing our 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 matters contested at DRT and DRAT has been decided in the favour of the Company. Further, the Company, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is successfully defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250.34 Lakhs and capital assets created thereon as on 31 March, 2021 is ₹ 1,754.36 Lakhs.

ii. Information of the assets pledge as security, refer note 17, 21 and 35.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

6 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software
At cost or deemed cost	
Balance as at 31 March, 2019	**568.58**
Additions	50.97
Disposals	–
Balance as at 31 March, 2020	**619.55**
Additions	58.06
Disposals	–
Balance as at 31 March, 2021	**677.61**
Accumulated amortisation	
Balance as at 31 March, 2019	**99.75**
Charge for the year	87.10
Disposals	–
Balance as at 31 March, 2020	**186.85**
Charge for the Year	103.37
Disposals	–
Balance as at 31 March, 2021	**290.22**
Net carrying amount	
At 31 March, 2020	**432.70**
At 31 March, 2021	**387.39**

7 Investments

A. Non-current investments

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	Amount	Nos.	Amount
Investment in equity instrument				
(Unquoted, at cost)				
a. In subsidiary companies				
Dixon Global Private Limited Equity shares of ₹ 10 Each	10,00,000	100.01	10,00,000	100.01
Padget Electronics Private Limited Equity shares of ₹ 10 Each	1,50,00,000	3,450.00	1,50,00,000	3,450.00
Dixon Electro Appliances Private Limited Equity shares of ₹ 10 Each	10,000	1.00	10,000	1.00
Dixon Electro Manufacturing Private Limited Equity shares of ₹ 10 Each	10,000	1.00	–	–
Dixon Technologies Solutions Private Limited Equity shares of ₹ 10 Each	10,000	1.00	–	–
b. In jointly control company				
AIL Dixon Technologies Private Limited Equity shares of ₹ 10 Each	95,00,000	950.00	95,00,000	950.00
		4,503.01		**4,501.01**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

Notes:

I. Information of subsidiaries and jointly controlled company

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 2021	As at 31 March 2020
Subsidiary company					
Dixon Global Private Limited	Trading	Noida, India	Noida, India	100%	100%
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
Dixon Electro Appliances Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
Dixon Electro Manufacturing Private Limited*	Manufacturing	Noida, India	Noida, India	100%	–
Dixon Technologies Solutions Private Limited*	Manufacturing	Noida, India	Noida, India	100%	–
Jointly control companies					
AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh, India	50%	50%

* During the year, 'Dixon Electro Manufacturing Private Limited' and 'Dixon Technologies Solutions Private Limited' have been incorporated, as wholly owned subsidiaries of the Company.

II. Operation details of jointly control Company

AIL Dixon Technologies Private Limited

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Income	23,144.26	21,641.53
Expenses	22,583.31	21,195.65

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Assets	18,162.22	16,799.19
Liabilities	16,446.98	15,488.33
Contingent liabilities	–	–
Commitments (net of advance)	10.29	0.10

Note: The operations are disclosed to the extent of the share of the Company

B. Current investments

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Units	Amount	Units	Amount
i. Investment in Mutual fund				
(Quoted, at fair value)				
– SBI Mutual Fund - Overnight Fund	1,66,138	5,514.68	–	–
– Axis Overnight Fund	2,77,015	3,010.07	–	–
– ICICI Prudential Mutual Fund	9,03,698	1,000.56	–	–
		9,525.31		**–**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

8 Other financial assets

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
I.	**Non-current**		
a.	Amount paid under protest to government authorities	210.94	220.45
b.	Security deposits	826.08	636.59
		1,037.02	**857.04**
II.	**Current**		
a.	Loan and advances to related party	–	428.00
b.	Security deposits	51.55	–
c.	Advances to employees (see note below)	404.33	118.84
d.	Amount receivables from government authorities (Incentive receivables and refund recoverable)	617.43	773.73
e.	Outstanding forward Marked to Market (MTM)	–	1,047.43
f.	Other receivables	26.69	218.82
		1,100.00	**2,586.82**
Note			
Advances to employess includes amount due from directors/ officers of the Company		126.84	57.87

9 Other assets

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
I.	**Non-current**		
a.	Capital advances	1,614.09	1,802.56
b.	Other advances considered doubtful	27.73	28.58
	Less : Provision for doubtful advances	(27.73)	(28.58)
		-	–
		1,614.09	**1,802.56**
II.	**Current**		
a.	Balance with Government Authorities (see note below)	8,738.48	6,193.68
b.	Advances to suppliers	3,921.78	857.97
c.	Prepaid expenses	350.53	302.01
		13,010.79	**7,353.66**
Note			
Balance with government authorities includes goods and service tax, custom duty etc.			

10 Inventories

(Lower of cost and net realisable value)

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	Raw materials and packing materials etc.		
	– in stock	30,226.44	21,614.30
	– in transit	13,818.55	3,167.62
b.	Work-in-progress	8,335.45	9,672.21
c.	Finished goods	3,163.22	1,945.63
		55,543.66	**36,399.76**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

11 Trade receivables

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	Unsecured, considered good	1,00,300.22	42,861.23
b.	Unsecured, considered doubtful	142.33	144.88
		1,00,442.55	**43,006.11**
	Less: Allowances for doubtful debts (expected credit loss allowances) (Refer Note 40)	(142.33)	(144.88)
	Total	**1,00,300.22**	**42,861.23**
	Note		
i.	The above amount of trade receivables also includes amount receivable from its related parties (refer note 46).	7,286.36	90.09
ii.	The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.		

12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Balances with banks - in current accounts	3,570.79	9,299.99
b. Cash on hand	34.33	34.59
	3,605.12	**9,334.58**

13 Other bank balances

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	Margin money deposits (see note below)	487.65	433.95
b.	Unpaid dividend accounts	0.42	0.32
		488.07	**434.27**

Note

Margin Money deposit balances are more than 3 month but less than 12 months. Margin money is held against letter of credit.

14 Loans

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	Loan to related parties (see notes below)	–	
	Unsecured, considered good	5,900.00	
		5,900.00	**–**

Note

i. 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 under:

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Amount outstanding	
	As at 31 March 2021	As at 31 March 2020
AIL Dixon Technologies Private Limited	500.00	–
(Maximum amount outstanding during the year ₹ 500.00 lakhs		
Padget Electronic Private Limited	5,400.00	–
(Maximum amount outstanding during the year ₹ 5,400.00 lakhs		
	5,900.00	**–**

ii. Above loans and advances have been given for working capital purposes and are repayable on demand. These loans are interest bearing at the rate 7% to 8.5%.

15 Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares of ₹ 2 each	13,00,00,000	2,600.00	2,60,00,000	2,600.00
(Previous year ₹ 10 each)				
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each fully paid up	5,85,69,355	1,171.39	1,15,70,141	1,157.01
(Previous year ₹ 10 each)				
	5,85,69,355	**1,171.39**	**1,15,70,141**	**1,157.01**
a. Reconciliation of equity shares				
Balance as at the beginning of the year	1,15,70,141	1,157.01	1,13,25,091	1,132.51
Equity shares arising on shares split from ₹ 10 to ₹ 2 per share (Refer note below)	4,62,80,564	–	–	–
Share issued under employees stock option scheme	718,650	14.38	2,45,050	24.50
Balance as at the end of the year	**5,85,69,355**	**1,171.39**	**1,15,70,141**	**1,157.01**

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 (Previous year ₹ 10 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.

c. Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Mr. Sunil Vachani		
No's of shares	1,98,09,520	2,00,56,040
% holding	33.82%	34.67%

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Mrs. Kamla Vachani		
No's of shares	44,93,965	49,40,220
% holding	7.67%	8.54%
SBI Magnum Global Fund		
No's of shares	–	47,78,470
% holding	–	8.26%
Reliance Capital Trustee Company Limited		
A/C Reliance Growth Fund		
No's of shares	–	38,56,010
% holding	–	6.67%

d. Summary of dividend and proposed dividend

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2019: ₹ 2 per share	–	226.50
Dividend Distribution Tax on final dividend	–	46.56
Interim dividend for the year ended on 31 March 2020: ₹ 4 per share	–	462.81
Dividend Distribution Tax on interim dividend	–	2.63
	–	**735.87**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2021: ₹ 1 per share (previous year ₹ Nil per share)	585.69	–
Dividend Distribution Tax on proposed dividend	103.37	–
	689.06	**–**

The Board of Directors have recommended a final dividend of 50 % (₹ 1.00 per Equity Share of ₹ 2.00 each) for the financial year 2020-2021 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

e. 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 has allotted 62,77,337 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 held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held.

f. Shares held by Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

g. Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31st March 2018, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1,766 per share (including premium of ₹ 1,756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 5999.99 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Company on 14th September 2017 and the shares of the Company were listed on the stock exchanges on 18th September 2017.

h. Shares reserved for issue under option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 41. 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.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

16 Other equity

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. General reserve	1,603.49	1,110.71
b. Securities premium	16,821.03	14,149.23
c. Capital redemption reserve	33.24	33.24
d. Other comprehensive income	(120.60)	(115.43)
e. Share option outstanding account	871.73	426.61
f. Retained earnings	49,852.30	34,655.10
	69,061.19	**50,259.46**
a. General reserve		
Opening balance	1,110.71	704.94
Transfer for share option exercised during the year	492.78	405.77
Closing balance	**1,603.49**	**1,110.71**
b. Securities premium		
Opening balance	14,149.23	9,604.05
Add: Premium on issue of share under employees stock option scheme (see note 41)	2,671.80	4,545.18
Closing balance	**16,821.03**	**14,149.23**
c. Capital redemption reserve		
Opening balance	33.24	33.24
Closing balance	**33.24**	**33.24**
d. Other comprehensive income-		
Remeasurement of defined benefit plans		
Opening balance	(115.43)	(65.84)
Movement during the year	(5.17)	(49.59)
Closing balance	**(120.60)**	**(115.43)**
e. Share option outstanding		
Opening balance	426.61	264.26
Add : Granted/ vested during the year	937.90	568.12
Less : Exercised during the year (Refer note 41)	492.78	(405.77)
Closing balance	**871.73**	**426.61**
f. Retained earnings		
Opening balance	34,655.10	24,333.14
Add : Profit for the year	15,197.20	11,060.46
Less: Appropriation		
Final dividend on equity shares	–	226.50
Dividend distribution tax on final dividend	–	46.56
Interim dividend on equity shares	–	462.81
Dividend distribution tax on interim dividend	–	2.63
Closing balance	**49,852.30**	**34,655.10**

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.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

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.

17 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
i. From banks (Secured)		
a. Foreign currency loans		
– Standard Chartered Bank (see note 'a' below)	–	266.07
b. Rupee loan		
Term Loan		
– HDFC Bank Limited (see note 'c' below)	2,000.00	–
– Qatar National bank (see note 'b' below)	3,650.00	650.00
– Vehicle Loans (see note 'd' below)	120.52	200.24
	5,770.52	**1,116.31**
ii. From others (Secured)		
– Tata Capital Housing Finance Limited (see note 'e' below)	153.13	164.05
– Vehicle Loans (see note 'd' below)	7.00	24.54
	160.13	**188.59**
Total	**5,930.65**	**1,304.90**
Less: Current maturities of long term borrowings (refer note 18)	292.68	347.74
	5,637.97	**957.16**

Notes:

a. USD 20,00,000 Foreign currency loan (sanctioned) from Standard Chartered Bank was secured against first pari passu charge on movable Property, Plant and Equipment excluding vehicles (both Present & future), and on immovable Plot B-14-15, Phase-II, Noida (UP) (including building) and second charges on current assets (both Present and future), further secured by personal guarantee of Chairman Mr. Sunil Vachani which was released on loan repayment and was repayable in 17 Quarterly instalments from December, 2016. Loan fully repaid on December, 2020. Rate of interest was Libor+275 BPS and loan was fully hedged.

b. Term loan of ₹ 3,650 lakhs from Qatar bank is repayable in 8 half yearly instalments including two year moratorium, 40% in 4 equal half yearly instalments from 31 July, 2022 and remaining 60% in rest 4 equal half yearly instalments . Rate of interest on loan is linked to one year MCLR +1.10%of bank and interest is to be paid on monthly basis. The loan is secured against exclusive charge on land, building and machinery situted at plot no 30 & 31 EMC 2 Tirupati , Chittoor (Andhrapradesh), current assets and including cash flows of the said project with security cover of 1.25 times and exclusive mortgage and hypothecation charge on current assets.

c. Term loan of ₹ 2,000 lakhs from HDFC bank is repayable in 5 years including one year moratorium followed by 20%, 20%, 30%, and 30% repayment in 2nd, 3rd, 4th and 5th year respectively. Rate of interest on loan is linked to 6 month MCLR+.60% of bank and interest is to be paid on monthly basis. The loan is secured against exclusive charge on movable fixed assets of the company located in 262M, Central Hope Town, Selakui, Dehradun and C/1 Selakui Industrial Area, Dehradun, first pari passu charge on all movable

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

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, Selakui, Dehradun.

d. 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 on 2022, bearing interest rate varying from 8.70% p.a to 10.06% p.a.

e. 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.

18 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
A) Non Current		
Payable for Lease Obligation	8,541.90	8,127.36
	8,541.90	**8,127.36**
B) Current		
a. Current maturities of long term borrowings (see note 'i' below)	292.68	347.74
b. Outstanding forward Marked to Market (MTM)	109.88	–
c. Unpaid dividend	0.42	0.32
d. Interest accrued but not due on Borrowings	16.13	15.27
e. Payable for Capital Goods	1,045.27	278.66
f. Payable for Lease Obligation	655.95	439.31
	2,120.33	**1,081.30**

Notes:

i. For security clause and repayment terms of borrowings, refer note 17.

19 Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
A) Non Current		
a. Provision for employee benefit		
i. Provision for gratuity (see note 42)	771.08	625.80
ii. Provision for compensated absences	58.82	–
	829.90	**625.80**
B) Current		
a. Provision for employee benefits		
i. Provision for gratuity (see note 42)	103.82	66.78
ii. Provision for compensated absences	15.17	–
b. Provision for warranty (see note below)	424.47	371.63
	543.46	**438.41**
Note:		
Movement in provision for warranty		
Opening balance	371.63	287.19
Addition provision made during the year	761.96	544.76
Claim paid / adjustments during the year	709.12	460.32
Closing provision	**424.47**	**371.63**
Basis of warranty:		
The Company gives thirty months warranty on LED bulbs and twelve months warranties on television and washing machines. LED bulbs are replaced with new bulbs and in respect of televisions and washing machines defective part is changed		

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

20 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Deferred tax liability		
i. Arising on account of timing differences in depreciation	1,717.87	1,479.42
b. Deferred tax assets		
i. Arising on account of timing differences in accrued expenses	262.85	221.92
	1,455.02	**1,257.50**

Note:

For deferred tax movement and tax reconciliation refer note 33.

21 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. From Banks (Secured)		
i. Buyer Credits (Refer note 'a')	7,125.27	2,377.97
b. From Banks (Un Secured)		
i. Commercial Paper (Refer note 'b')	–	2,500.00
c. From Related Parties (Un Secured)		
i. Padget Electronics Private Limited (Refer note 'c')	–	1,420.00
	7,125.27	**6,297.97**

Note:

a. Borrowings from banks (comprising of Libor financing -Buyer Credit backed by SBLC/Bank guarntee) 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. These are further secured by first pari-passu charge on entire block of (present and future) Property, Plant and Equipment comprising of land, building, plant and machinery etc. coupled with equitable mortgage of land and property at B-14 & B-15, Phase-II and Exclusive Charge over C-33 Phase II Noida (UP) and Exclusive Charge over Industrial Property located at Plot 18, Block B, Phase II, Noida (UP), Exclusive Charge over Industrial Property located Khasra No. 1050, Central Hope Town, Industrial Area, Selaqui, Dehradun (Uttarakhand), exclusive Charge on movable Fixed Assets of the unit located at plot no 262M, Industrial area, Central hope Town, Selaqui, and District – Dehradun (both Present and Future). First Pari Passu Charge over Movable Fixed Assets of unit located at C-1 Selaqui industrial Area, Dehradun (Uttrakhand). First Pari Passu charge over current assets of Co-borrower (DGPL), both present and future for Co-borrowers Limits. First Pari Passu Charge (with Bank's overseas Business Unit only) on the entire moveable fixed assets (except those exclusively charged to other lenders) of the borrower, both present and future. Second Pari Passu Charge by way of equitable mortgage over the immovable fixed assets at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh. Second Pari Passu Charge on the entire equitable mortgage over the immovable fixed assets (except those exclusively charged to other lenders) at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh.

b. During the previous year, Commercial paper for ₹ 2,500 lakhs were issued through IPA account with HDFC bank to HDFC bank on 5 March, 2020 for a period of 90 days.

c. During the previous year, ₹ 1,420 lakhs was repayable to Padget Electronics Private Limited, related company of group. Interest at 3 months SBI MCLR is charged on outstanding balances.

22 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Total outstanding dues of micro and small enterprises*	5,159.90	1,526.59
b. Total outstanding dues of others	137,193.84	69,876.91
	142,353.74	**71,403.50**

* For detailed disclosure of micro and small enterprises see note 36

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

23 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Advances received from customers	61.00	45.45
b. Statutory dues payable	2,991.32	458.30
	3,052.32	**503.75**

24 Current tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net)	8.04	20.12
	8.04	**20.12**

25 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Revenue from contracts with customers disaggregated based on nature of product or service		
a. Revenue from sale of products		
Manufactured goods	5,59,031.55	3,63,131.86
	5,59,031.55	**3,63,131.86**
b. Revenue from sale of services		
Service charges received	60.00	60.00
Job work charges	8,285.30	3,649.24
	8,345.30	**3,709.24**
c. Other operating revenue		
Export benefits	17.21	5.68
Rent received (production facility charges)	66.09	63.52
GST incentive on area base exemption	–	162.38
Other incentive	–	77.26
	83.30	**308.84**
Total revenue from operations	**5,67,460.15**	**3,67,149.94**
B. Disaggregated revenue information		
The table below presents disaggregated revenue from contact with customers for the year ended March 2021 and March 2020. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	5,66,726.38	3,66,485.36
b. Exports	650.47	355.74
	5,67,376.85	**3,66,841.10**
C. Reconciliation of Gross Revenue from Contracts With Customers		
Total Revenue from Contract with Customers	5,59,113.18	3,66,692.24
Add: Cash Discount, Rebates, sales return etc	(81.63)	(3,560.38)
Net Revenue recognised from Contracts with Customers	**5,59,031.55**	**3,63,131.86**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

26 Other income

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest income		
– On fixed deposits/ margin money	33.67	172.20
– Others	106.59	64.88
Other non operating income		
Other receipts	–	6.13
Dividend received	–	450.00
Rent Waiver income	56.66	–
Provision for doubtful debts / loans and advances written back	4.07	225.04
Income from Mutual fund Investment	37.98	–
Excess liabilities, credit balances, provisions etc. written back	–	1.49
	238.97	**919.74**

27 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Opening Stock	21,614.30	17,627.94
Add: Purchase (Including Components)	5,14,682.47	3,25,197.59
	5,36,296.77	**3,42,825.53**
Less: Closing Stock	30,226.44	21,614.30
	5,06,070.33	**3,21,211.23**

28 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Inventories at the beginning of the year		
Finished Goods	1,945.63	2,281.72
Work in Progress	9,672.21	6,178.71
	11,617.84	**8,460.43**
Inventories at the end of the Year		
Finished Goods	3,163.22	1,945.63
Work in Progress	8,335.45	9,672.21
	11,498.67	**11,617.84**
(Increase)/Decrease	**119.17**	**(3,157.41)**

29 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Salaries and wages	9,181.11	8,480.75
Contribution to provident and other funds	563.70	452.50
Provision for gratuity	193.99	148.07
Share based payments to employees	937.90	568.12
Staff welfare expense	1,671.95	1,224.46
	12,548.65	**10,873.90**

Notes to Standalone Financial Statements
for the year ended 31 March, 2021

30 Finance costs

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest on borrowings	1,897.22	3,000.80
Interest on lease obligation	676.35	449.23
Other financial charges	17.54	59.89
	2,591.11	**3,509.92**

31 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
On property, plant and equipment	2,926.77	2,610.03
On intangible assets	103.37	87.10
On right of use assets	815.57	481.17
	3,845.71	**3,178.30**

32 Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Consumption of stores and spares	862.91	460.40
Contractor wages and job work charges	11,433.89	10,018.59
Service charge paid	195.96	0.11
Power and fuel	2,406.19	2,038.89
Rent	518.63	282.19
Repairs and maintenance:		
– for buildings	110.50	76.89
– for Plant and equipment	197.29	177.06
– for others	287.27	253.41
Insurance	417.16	257.39
Rates and taxes	156.30	177.43
Selling and distribution expenses	2,420.85	1,490.40
Donations	10.85	3.77
Director's sitting fees	12.60	7.70
Payment to auditors (refer note below)	32.02	28.70
Bad debts write off	3.22	394.12
Exchange fluctuations (net)	65.82	132.09
Loss on sale of property, plant and equipment	32.93	29.01
Corporate social responsibility expenses (see note 43)	192.75	109.07
Provision for impairment of property, plant and equipment	205.00	240.00
Bank charges	503.65	363.46
Miscellaneous expenses	1,841.86	1,672.52
	21,907.65	**18,213.20**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

Note:

Payment to auditors comprises:

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Statutory auditors		
Audit Fees	23.68	21.00
Tax Audit Fees	3.00	3.00
Out of pocket expenses	1.49	0.95
	28.17	**24.95**
Other auditor		
Payment to Cost Auditor	3.85	3.75
	32.02	**28.70**

33 Tax expense

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Current Tax	5,343.56	3,645.33
Deferred Tax	199.35	(523.72)
	5,542.91	**3,121.61**
Income Tax for earlier years (net)	(124.01)	58.47
Tax expenses for the year	**5,418.90**	**3,180.08**
A. Reconciliation of income tax expense to statutory income tax rate of income		
Profit before tax	20,616.10	14,240.54
Income tax Rate	25.17%	25.63%
Estimated income tax expense	5,188.66	3,649.22
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense :		
Non taxable income/expense (net)	51.24	(115.32)
Defer Tax reversal due to tax rate change	–	(479.55)
Others	303.01	67.25
Income Tax expense in the Statement of Profit and Loss	**5,542.91**	**3,121.61**
B. Movement in the deferred tax liabilities (net):		
Deferred tax (net)		
a. Deferred tax liability	1,717.87	1,479.42
b. Deferred tax assets	262.85	221.92
– others		
	262.85	**221.92**
	1,455.02	**1,257.50**

(₹ in Lakhs)

Particulars	As at 1 April, 2020	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2021
Deferred tax liabilities				
– Depreciation	1,479.42	238.45	–	1,717.87
	1,479.42	**238.45**	**–**	**1,717.87**
Deferred tax assets				
– Expenses allowed on payment basis	221.92	39.10	1.83	262.85
	221.92	**39.10**	**1.83**	**262.85**
	1,257.50	**199.35**	**(1.83)**	**1,455.02**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	As at 1 April, 2019	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2020
Deferred tax liabilities				
– Depreciation	2,161.26	(681.84)	–	1,479.42
	2,161.26	**(681.84)**	**–**	**1,479.42**
Deferred tax assets				
– Expenses allowed on payment basis	174.14	30.70	17.08	221.92
– Others	188.82	(188.82)	–	–
	362.96	**(158.12)**	**17.08**	**221.92**
	1,798.30	**(523.72)**	**(17.08)**	**1,257.50**

34 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Contingent liabilities		
Contingent liabilities not provided in respect of		
i. Letters of Credit (outstanding)	1,03,342.01	59,018.88
ii. Guarantees issued by bankers on behalf of Company (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)	1,758.54	1,435.39
iii. Corporate guarantees given to Banks on behalf of subsidiary for purpose of financial assistance.	32,300.00	6,000.00
iv. Bill discounting with banks	7,116.55	9,590.98
v. a) Bond given to custom department on behalf of the joint venture company	1,400.00	1,400.00
b) Bond given to custom department under AEO	6,170.00	950.00
vi. **Claims against the Company not acknowledged as debt**		
a. Income tax	2,348.03	754.81
b. Sales tax	216.25	224.35
c. Goods and service tax	26.47	11.20
d. Excise custom duty and service tax	1,723.07	1,501.93
e. Other disputes	19.02	35.69
Summary of amount paid under protest		
i. Sales tax	38.85	43.04
ii. Excise custom duty and service tax	162.06	162.06
iii. Goods and service tax	10.03	11.20
iv. Other disputes	–	4.15
	210.94	**220.45**

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

b. Contingent assets

The Company is eligible for various incentive schemes as notified by State Governments however due to uncertainties on the collection of amount the Company has not recognised incentive income of ₹ 523.00 lakhs.

c. Capital commitments:

	As at 31 March 2021	As at 31 March 2020
Commitments for acquisition of property, plant and equipment (net of advances)	578.50	2,777.02

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

d. During the year, the Company has availed Non Fund based LC Limits of ₹ 93,000 Lakh from various Banks to import raw material relating to manufacture of finished goods in LED TV Business which has been backed by 105% Bank Guarantee amounting to ₹ 97,000 Lakh.

e. The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

f. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Company.

g. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

35 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 2021	As at 31 March 2020
Current assets:		
Financial assets		
Trade receivables	1,00,300.22	42,861.23
Inventories (excluding in transit)	41,725.11	33,232.14
Total current assets mortgaged as security	**1,42,025.33**	**76,093.37**
Non-current:		
Land (Freehold and leasehold)	1,154.36	911.92
Vehicles	267.94	530.47
Buildings	5,625.78	4,170.30
Plant and machinery	19,364.03	10,371.70
Total non-currents assets mortgaged as security	**26,412.12**	**15,984.39**
Total assets mortgaged as security	**1,68,437.45**	**92,077.76**

36 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
– Principal amount	5,159.90	1,526.59
– 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	–	–

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

37 Leases

a. Right-of-use assets

i. Carrying value of right of use assets

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	8,336.61	–
Recognised on adoption of Ind AS 116 - Leases	–	2,657.13
Additions during the year	1,096.62	6,247.84
	9,433.23	**8,904.97**
Depreciation during the year	815.57	481.17
Derecognised during the year	3.63	87.19
Closing balance	**8,614.03**	**8,336.61**

ii. Movement in lease liabilities during the year:

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Balance at the Beginning of the year	8,566.67	–
Recognition on account of adoption of Ind AS 116	–	2,657.13
Additions	1,096.62	6,247.84
	9,663.29	**8,904.97**
Finance cost accrued during the year	676.35	449.23
Payment of lease liabilities	(1,081.50)	(706.48)
Waiver of rent received during the year	(56.66)	–
Derecognised during the year	(3.63)	(81.05)
Balance as at end	**9,197.85**	**8,566.67**
b. Maturity analysis of lease liabilities:		
i. The table below provides details regarding the contractual maturities of lease liabilities are as follows:		
Due within one year	655.95	439.31
Due later than one year and not later than five years	3,065.63	2,009.48
Due later than five years	5,476.27	6,117.88
Total	**9,197.85**	**8,566.67**
ii. The table below provides details regarding the cash outflow of lease liabilities are as follows:		
Due within one year	1,366.22	1,417.46
Due later than one year and not later than five years	5,696.70	6,531.78
Due later than five years	10,448.41	10,519.53
Total	**17,511.33**	**18,468.77**

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
c. Expense recognised in profit or loss (see note 'a' below)		
Interest on lease liabilities	676.35	449.23
Depreciation on right of use assets	815.57	481.17
Expenses relating to short-term and low value leases	518.63	282.19
	2,010.55	**1,212.59**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

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 expense recorded for short-term and low value leases is ₹ 518.63 lakhs for the year ended March 31, 2021, the same have been recorded under the head 'Other expenses' in the financial statements.

iii. Rental income on assets given on sub-lease is ₹ Nil for the year ended 31 March, 2021. (₹ Nil for the year ended 31 March, 2020)

iv. Lease contracts entered by the Company majorly pertains for 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

38 Earnings per share

Particulars	Units	Year Ended 31 March 2021	Year Ended 31 March 2020
a. Basic			
Profit for the year	₹ in Lakhs	15,197.20	11,060.46
Weighted average number of equity shares	No's	5,81,29,275	5,70,83,795
Face value of per share	₹	2.00	2.00
Earnings per share - Basic	₹	26.14	19.38
b. Diluted			
Profit for the year	₹ in Lakhs	15,197.20	11,060.46
Diluted number of equity shares	No's	5,94,67,355	5,86,67,115
Face value of per share	₹	2.00	2.00
Earnings per share - Basic	₹	25.56	18.85
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:			
Weighted average number of equity shares used in the calculation of basic earnings per share	No's	5,81,29,275	5,70,83,795
Shares deemed to be issued for no consideration in respect of employee options on proportionate basis	No's	13,38,080	15,83,320
Weighted average number of equity shares used in the calculation of diluted earnings per share	**No's**	**5,94,67,355**	**5,86,67,115**

c. 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. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Consolidated Financial Results of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share

39 Details of research and development expenditure

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
a. Revenue expenditure		
Cost of materials consumed	57.59	8.64
Employee benefits expense	272.85	323.96
Other expenses	30.74	46.90
Depreciation and amortisation expense	28.39	26.06
	389.56	**405.56**
b. Capital expenditure		
Purchase of property, plant and equipment	13.29	61.10
	13.29	**61.10**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

40 Financial instruments

a. Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt		
a. Borrowings		
– non current	5,637.97	957.16
– current	7,125.27	6,297.97
b. Current maturities of long term borrowings	292.68	347.74
	13,055.92	**7,602.87**
c. Cash and cash equivalents	3,605.12	9,334.58
d. Current investments	9,525.31	–
	13,130.43	**9,334.58**
Net debt	**(74.51)**	**(1,731.71)**
Total equity	**70,232.58**	**51,416.47**
Net debt to equity ratio	**-0.001**	**-0.034**

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. 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 2021 and 31 March 2020.

b. Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Financial asset		
a. Measured at cost		
i. Investments in subsidiaries and jointly controlled entities	4,503.01	4,501.01
b. Measured at amortised cost		
i. Other non current financial assets	1,037.02	857.04
ii. Trade receivables	1,00,300.22	42,861.23
iii. Cash and cash equivalents	3,605.12	9,334.58
iv Other bank balances	488.07	434.27
v. Other financial assets	1,100.00	1,539.39
vi. Loans	5,900.00	–
c. Measured at fair value through Profit and Loss (FVTPL)		
i. Outstanding forward Marked to Market (MTM)	–	1,047.43
ii. Investments	9,525.31	–
Financial liabilities		
a. Measured at fair value through Profit and Loss (FVTPL)		
i. Outstanding forward Marked to Market (MTM)	109.88	–

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
b. Measured at amortised cost		
i. Borrowings		
– Non current	5,637.97	957.16
– Current	7,125.27	6,297.97
ii. Other non current financial liabilities	8,541.90	8,127.36
iii. Trade payables	1,42,353.74	71,403.50
iv. Other current financial liabilities	2,010.45	1,081.30

Notes:

a. There are no significant difference among the fair value of financial assets and liabilities classified as measured at cost or measured at fair value through profit and loss accordingly no separate disclosure of the same have been disclosed.

b. The derivative instruments with respect to forward contract are accounted for as fair value hedge.

c. The company has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

c. Fair value hierarchy

The disclosure of the financial instruments measured at fair value. The details of instrument and valuation technique are as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at 31 March 2021	As at 31 March 2020
Financials Assets			
Foreign currency forward contracts			
– Financial assets	Level 2	–	1,047.43
– Financial liabilities		109.88	–
Investments in mutual fund	Level 1	9,525.31	–

Valuation technique and key input

Discounted cash flow. Future cash flow estimated based on forward exchange rates (from observable forward exchange rates at the end of reporting period) and contract forward rates.

Level 1: Level 1 hierarchy 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 2: 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 3: 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.

There are no transfers between levels 1 and 2 during the year.

Valuation processes

a. The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the audit committee (AC).

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

b. Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the company's quarterly reporting periods.

d. Summary statement of standalone financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market, credit and liquidity risk.

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.

A. Credit Risk Management

Credit risk is managed on group basis. For deposits only high rated banks/institutions are accepted.

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 one Customer (Previous Year two customer) contributes to more than 10% of outstanding trade receivable ₹ 24,596.41 Lakh (Previous year ₹ 28,970.55 Lakh) as at 31 March, 2020.

Reconciliation of loss allowance provision

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	144.88	363.67
Additional provision made	76.13	114.91
Provision adjusted against the amount written off	78.68	333.70
Closing provision	**142.33**	**144.88**

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.

B. Liquidity Risk

1 The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

2 The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

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.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

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)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2021				
Non Derivative				
Long Term Borrowings	–	5,637.97	5,637.97	5,637.97
Current maturities of long term borrowings	292.68	–	292.68	292.68
Short term borrowings	7,125.27	–	7,125.27	7,125.27
Trade Payables	1,42,353.74	–	1,42,353.74	1,42,353.74
Other financial liabilities				
– Current	1,717.77	–	1,717.77	1,717.77
– Non-current	–	8,541.90	8,541.90	8,541.90
As on 31.03.2020				
Non Derivative				
Long Term Borrowings	–	957.16	957.16	957.16
Current maturities of long term borrowings	347.74	–	347.74	347.74
Short term borrowings	6,297.97	–	6,297.97	6,297.97
Trade Payables	71,403.50	–	71,403.50	71,403.50
Other financials liabilities				
– Current	733.56	–	733.56	733.56
– Non-current	–	8,127.36	8,127.36	8,127.36

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)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2021				
Non derivative				
Other financial assets				
– Non current	–	1,037.02	1,037.02	1,037.02
– Current	1,100.00	–	1,100.00	1,100.00
Investments	9,525.31	–	9,525.31	9,525.31
Trade receivables	1,00,300.22	–	1,00,300.22	1,00,300.22
Cash and cash equivalents	3,605.12	–	3,605.12	3,605.12
Bank balances other than above	488.07	–	488.07	488.07
Loans	5,900.00	–	5,900.00	5,900.00
As on 31.03.2020				
Non derivative				
Other financial assets				
– Non current	–	857.04	857.04	857.04
– Current	2,586.82	–	2,586.82	2,586.82
Trade receivables	42,861.23	–	42,861.23	42,861.23
Cash and cash equivalents	9,334.58	–	9,334.58	9,334.58
Bank balances other than above	434.27	–	434.27	434.27

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

C. Market Risk Management

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 (INR). 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 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 2021			As at 31 March 2020		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Borrowings	In USD / Lakh	–	–	–	3.53	3.53	–
	In ₹ / Lakh	–	–	–	266.07	266.07	–
Buyers' Credit	In USD / Lakh	96.93	–	96.93	31.54	–	31.54
	In ₹ / Lakh	7,125.27	–	7,125.27	2,377.97	–	2,377.97
Creditors	In USD / Lakh	921.01	648.56	272.45	500.50	381.15	119.35
	In CNY / Lakh	286.05	–	286.05	75.52	–	75.52
	In JPY / Lakh	1,029.21	–	1,029.21	–	–	–
	In EURO / Lakh	4.83		4.83			
	In ₹ / Lakh	72,619.55	47,672.21	24,947.34	37,057.61	28,869.74	8,187.87
Total liability	In USD / Lakh	1,017.94	648.56	369.38	535.57	384.68	150.89
	In CNY / Lakh	286.05	–	286.05	75.52	–	75.52
	In ₹ / Lakh	79,744.82	47,672.21	32,072.61	39,701.65	29,135.81	10,565.84
Debtors	In USD / Lakh	4.48	–	4.48	4.57	–	4.57
	In ₹ / Lakh	328.99	–	328.99	346.11	–	346.11
Total assets	In USD / Lakh	4.48	–	4.48	4.57	–	4.57
	In ₹ / Lakh	328.99	–	328.99	346.11	–	346.11

A. Foreign currency risk exposure

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	328.99	346.11
Financial liabilities	32,072.61	10,565.84
Net exposure (liabilities)	**31,743.62**	**10,219.73**

Note:

The above amount represents the gross exposure i.e. both hedged and unhedged.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

B. 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	Currency USD impact	
	As at 31 March 2021	As at 31 March 2020
Impact on profit or loss for the year	317.44	102.20
Impact on total equity as at the end of reporting year	237.54	76.01

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. Cash flow and Interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at variable rate were mainly denominated in INR and USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a. Interest rate risk exposure

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	12,775.27	4,714.04
Fixed rate borrowings	280.65	2,888.83
	13,055.92	**7,602.87**

b. Sensitivity Analysis

The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows:

Impact on profit or loss for the year	127.75	47.14
Impact on total equity as at the end of reporting year	95.60	35.06
Impact on profit for the year are gross of tax.		

III. Price Risk

The entity do not have any investment in quoted securities or other equity instruments except for unquoted investments in subsidiaries and jointly controlled entity. Thus, the company is not exposed to any price risk.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

41 Employee Stock Option Plan

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 and its subsidiary 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 500,000 equity shares and 300,000 Equity Shares respectively. Under Dixon ESOP 2018, the company has approved 3 grants vide its meeting held on 31st October, 2018, 13th November, 2019 and 04th August, 2020 and under Dixon ESOP 2020 has approved one grant vide its meeting held on 30th October, 2020. 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	Grant I	Grant II	Grant III	Grant-1
		Dixon ESOP 2018		Dixon ESOP 2020
Date of Grant	31-Oct-18	13-Nov-19	31-Aug-18	30-Oct-20
Date of Share holders Approval	25-Jul-18	25-Jul-18	25-Jul-18	29-Sep-20
Date of Board of Directors Approval / Committee	26-May-18	26-May-18	26-May-18	22-Aug-20
No. of Option	4,97,600	4,900	72,500	15,00,000
Method of settlement (Cash/ Equity)	Equity	Equity	Equity	Equity
Vesting Period	31-Oct-19	-	-	30-Oct-21
	31-Oct-20	13-Nov-20	04-Aug-21	30-Oct-22
	31-Oct-21	13-Nov-21		30-Oct-23
	-	-	-	30-Oct-24
	-	-	-	30-Oct-25
Exercise Price (Per Share ₹)	1,864.80	2,092.58	1,434.31	1,538.26
Exercise Period	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.	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 3 years.	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 2 years.	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.
Ext. of Exercise Period	None	None	None	None

(₹ in Lakhs)

Particulars	As at 31 March 2020	
	Share arising out of options	Weighted average exercise price
Outstanding at the beginning		
- Grant I	4,97,600	1,865
- Grant II	4,900	2,093
Forfeited and expired	2,500	1,865
Exercised	2,45,050	1,865
Outstanding at the end		
Grant I	2,47,550	1,865
Grant II	4,900	2,093
Exercisable at the end		
Grant I	2,500	1,865

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	As at 31 March, 2021	
	Share arising out of options	Weighted average exercise price
Outstanding at the beginning		
Employee Stock Option Plan, 2018		
-Grant I	12,50,250	373
-Grant II	24,500	419
New option granted during the year		
Employee Stock Option Plan, 2018		
-Grant III	72,500	1,434
Employee Stock Option Plan, 2020		
-Grant I	15,00,000	1,538
Forfeited and expired		
Exercised employee stock option plan, 2018	81,250	373
Exercised employee stock option plan, 2020	2,65,850	1,538
Options Exercised during the year		
Employee Stock Option Plan, 2018		
-Grant I	7,06,400	373
-Grant II	12,250	419
Outstanding at the end		
Employee Stock Option Plan, 2018		
Grant I	4,62,600	373
Grant II	12,250	419
Grant III	72,500	1,434
Employee Stock Option Plan, 2020		
Grant I	12,34,150	1,538
Exercisable at the end		
Grant III	-	-

* 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.

42 Employee benefits

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 2021	Year Ended 31 March 2020
Contribution towards Provident Fund & other Funds		
a. Contribution to provident fund	491.66	387.69
b. Contribution to employee state insurance	36.35	35.19
c. Contribution to national pension scheme	35.69	29.62
	563.70	**452.50**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

b. Defined benefits plan

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. The company's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
Future Salary Increase	6.00%	6.00%
Discount rate	6.76%	7.66%
Mortality rates	100% of IALM (2012-14)	100% of IALM (2006-08)
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

Amount recognised in Statement of Profit and Loss in respect of defined benefit plans are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Service Cost		
– Current service cost	146.88	109.89
– Past service cost including curtailment gains/losses	–	–
	146.88	**109.89**
Net interest cost	47.12	38.18
Expense recognised in statement of profit and loss	**193.99**	**148.07**
Other Comprehensive Income (OCI)		
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.03)	(0.03)
Actuarial (gains) / losses arising from changes in financial assumptions	3.36	53.30
Actuarial (gains) / losses arising from experience adjustments	3.67	13.40
Components of defined benefit costs recognised in other comprehensive income	**7.00**	**66.67**
	200.99	**214.74**

Notes:

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item 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.

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 2021	As at 31 March 2020
Provision for gratuity		
– Non-Current	771.08	625.80
– Current	103.82	66.78
	874.90	**692.58**

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

Movements in the present value of the defined benefit obligation are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Liability at the beginning of the year	**692.58**	**498.34**
Interest Costs	47.12	38.18
Current Service Costs	146.88	109.89
Past Service Cost including curtailment Gains/ Losses	–	–
Benefits paid	(18.68)	(20.50)
Actuarial (Gain)/Loss on obligations due to change in Obligation	7.00	66.67
Liability at the end of the year	**874.90**	**692.58**

Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Impact of the change in discount rate		
Present Value of Obligation	874.90	692.58
Impact due to increase of 0.50 %	(42.47)	(33.53)
Impact due to decrease of 0.50 %	46.33	36.48
b. Impact of the change in salary increase		
Present Value of Obligation at the end of the period	874.90	692.58
Impact due to increase of 0.50 %	45.65	34.97
Impact due to decrease of 0.50 %	(40.75)	(32.38)

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.

Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Financial year	Amount
Apr 2021- Mar 2022	103.81
Apr 2022- Mar 2023	45.43
Apr 2023- Mar 2024	49.26
Apr 2024- Mar 2025	25.53
Apr 2025- Mar 2026	24.70
Apr 2026- Mar 2027	56.98
Apr 2027 onwards	569.18

Description of 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- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b. Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

c. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

c. Actuarial assumptions for compensated absences is as under:

(₹ in Lakhs)

Assumptions	As at 31 March 2021	As at 31 March 2020
i. Discounting rate	6.00%	6.00%
ii. Future increase salary	6.76%	7.66%

43 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 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 Company as per the Act.

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Gross amount required to be spent by the company	210.17	154.14
B. Amount spent by the company by		
a. Yet to be paid in cash	–	–
b. In cash - Donation to		
a. Guru Vishram Vridh Ashram	32.00	32.00
b. Jan Maadhyam	16.00	16.00
c. Nav Abhiyan	21.00	21.00
d. Purkal Youth Development Society	20.00	–
e. Donation of Ambulances to Noida Authority	45.71	–
f. The Akshaya Patra Foundation	–	37.00
g. *PM Cares fund pertains to FY 2019-20	50.00	
	184.71	**106.00**
c. Sanitation Drive on Service Lane	8.03	3.07
	192.75	**109.07**

*The Company considering the pandemic of COVID-19 contributed ₹ 50 Lakhs towards the PM Cares Fund out of its CSR Budget for the FY 2019-20. Due to the Nationwide lockdown, the said payment was transferred to PM Cares Fund in the month of April, 2020.

The Company has unspent amount of ₹ 67.42 Lakhs for the financial year 2020-21 out of total CSR budget of ₹ 210.17 Lakhs

44 Segment Reporting

The chief operating decision maker (CODM) comprises of the Board of Directors, Vice Chairman & 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 three customers) of the Company represented approximately ₹ 307,103.01 Lakhs (Previous year ₹ 2,38,642.14 Lakhs) individually more than 10% of the Company's total revenue.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

45 The Company had made an Initial Public Offer ('IPO') during the Quarter ended 30 September, 2017, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1,766 per share (including premium of ₹ 1,756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 6,000 Lakhs from the fresh issue of 3,39,750 equity shares. Fresh equity shares were allotted by the Company on 14 September, 2017 and the shares of the Company were listed on the stock exchanges on 18 September, 2017.

Details of utilization of IPO Proceeds are as follows :

(₹ in Lakhs)

Particulars	Object of the Issue as per Prospectus	Total Utilization Up to March 2021	Amount Pending for Utilization
Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company	2,200.00	2,200.00	–
Setting up a unit for manufacturing of LED TVs at the Tirupati (A.P)	758.00	758.00	–
Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility	886.00	886.00	–
Upgradation of the information technology infrastructure of the Company	1,063.00	1,063.00	–
General corporate purposes (see note 'b' below)	805.00	805.00	–
	5,712.00	**5,712.00**	**–**
IPO Expenses*	288.00	288.00	–
Total	**6,000.00**	**6,000.00**	

Note:

a. Estimated IPO expenses reduced by ₹ 54 Lakhs and accordingly expense transferred to General Corporate Expenses.

b. The members of the Company had, at its Annual general Meeting held on 29th September, 2020 approved "variation in the terms of the Object of the public issue as stated in the prospectus of the Company dated 11th September, 2017" whereby the unutilized amount aggregating to ₹ 212 Lakhs (i.e. ₹ 90 Lakhs pending to be utilised towards Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility , and ₹ 122 Lakhs pending to be utilised towards Upgradation of the information technology infrastructure of the Company, constituting 3.53% of Total Proceeds shall be utilized towards General Corporate Purpose between FY 2020 to FY 2022. During the year ended 31st March, 2021, the said unutilised amount of ₹ 212 Lakhs has been utilised by the Company towards General Corporate Purpose. There are no further IPO proceeds outstanding for utilisation.

46 Related parties

a. List of related parties

i. Subsidiary Companies

a. Dixon Global Private Limited

b. Padget Electronic Private Limited (previous year subsidiaries w.e.f. 12 April, 2019)

c. Dixon Electro Appliance Private Limited (Previous year, incorporated as subsidiary on 15 January, 2020)

d. Dixon Technologies Solutions Private Limited (incorporated as subsidiary on 16 March, 2021)

e. Dixon Electro Manufacturing Private Limited (incorporated as subsidiary on 16 March, 2021)

ii. Joint Venture Company

a. AIL Dixon Technologies Private Limited

b. Padget Electronic Private Limited (previous year up to 11 April, 2019)

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

iii. Key Managerial Personnel and their relatives

a.	Mr. Sunil Vachani	Chairman
b.	Mr. Atul B. Lall	Managing Director and Vice Chairman
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 (From 12 April, 2019)
g.	Mr. Prithvi Vachani	Son of Chairman (from 2 April, 2018)
h.	Mr. Saurabh Gupta	Chief Finance Officer (CFO)
i.	Mr. Rakesh Mohan	Non Executive Independent Director (From 2 February 2021)
j.	Mr. Ashish Kumar	Company Secretary

iv. Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence

a. Dixon Applied Technology Training Institute

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

b. Transactions /balances outstanding with related parties

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Transactions during the year								
Investment in joint venture	–	–	–	–	–	–	–	–
AIL Dixon Technologies Private Limited	–	–	–	–	–	–	–	–
Investment in Subsidiaries	**2.00**	**2,701.00**	**–**	**–**	**–**	**–**	**2.00**	**2,701.00**
Dixon Electro Appliance Private Limited		1.00	–	–	–	–	–	1.00
Padget Electronics Private Limited		2,700.00	–	–	–	–	–	2,700.00
Dixon Technologies Solutions Private Limited	1.00	–	–	–	–	–	1.00	–
Dixon Electro Manufacturing Private Limited	1.00	–	–	–	–	–	1.00	–
Interest income	**53.69**	**–**	**55.53**	**30.67**	**–**	**–**	**109.22**	**30.67**
Padget Electronics Private Limited	53.69	–	–	–	–	–	53.69	–
AIL Dixon Technologies Private Limited	–	–	55.53	30.67	–	–	55.53	30.67
Interest Paid	**57.62**	**149.18**	**–**	**–**	**–**	**–**	**57.62**	**149.18**
Padget Electronics Private Limited	57.62	149.18	–	–	–	–	57.62	149.18
Service charges received	**–**	**–**	**70.80**	**69.90**	**–**	**–**	**70.80**	**69.90**
AIL Dixon Technologies Private Limited	–	–	70.80	69.90	–	–	70.80	69.90
Sale of goods	**19,725.64**	**519.87**	**1,307.41**	**2.30**	**–**	**–**	**21,033.05**	**522.17**
Dixon Global Private Limited	2,620.69	518.52	–	–	–	–	2,620.69	518.52
AIL Dixon Technologies Private Limited	–	–	1,307.41	2.30	–	–	1,307.41	2.30
Padget Electronic Private Limited	17,104.95	1.35	–	–	–	–	17,104.95	1.35
Purchase of raw material	**21,333.65**	**57,192.21**	**1,085.03**	**–**	**–**	**–**	**22,418.68**	**57,192.21**
Dixon Global Private Limited	21,328.70	57,192.15	–	–	–	–	21,328.70	57,192.15
AIL Dixon Technologies Private Limited	–	–	1,085.03	–	–	–	1,085.03	–
Padget Electronics Private Limited	4.95	0.06	–	–	–	–	4.95	0.06
Job Work Charges received	**409.74**	**–**	**134.56**	**13.33**	**–**	**–**	**544.30**	**13.33**
Padget Electronic Private Limited	409.74	–	–	–	–	–	409.74	–
AIL Dixon Technologies Private Limited	–	–	134.56	13.33	–	–	134.56	13.33
Job Work Charges paid	**9.62**	**53.71**	**–**	**119.75**	**–**	**–**	**9.62**	**173.46**
AIL Dixon Technologies Private Limited	–	–	–	119.75	–	–	–	119.75
Padget Electronics Private Limited	9.62	53.71	–	–	–	–	9.62	53.71

Notes to Standalone Financial Statements
for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Sale of Property, plant and equipment	**32.03**	**0.61**	**–**	**–**	**–**	**–**	**32.03**	**0.61**
Padget Electronics Private Limited	32.03	0.61	–	–	–	–	32.03	0.61
Rent Received	**63.44**	**63.44**	**–**	**–**	**–**	**–**	**63.44**	**63.44**
Padget Electronic Private Limited	63.44	63.44	–	–	–	–	63.44	63.44
Corporate Guarantee given on behalf of the Subsidiries	**44,300.00**	**–**	**–**	**500.00**	**–**	**–**	**44,300.00**	**500.00**
Padget Electronics Private Limited	42,300.00						42,300.00	–
AIL Dixon Technologies Private Limited	–	–	–	500.00				500.00
Dixon Global Private Limited	2,000.00						2,000.00	–
Bond Given to Custom Department by the company Behalf of Subsidiry	**1,000.00**	**–**	**–**	**–**	**–**	**–**	**1,000.00**	**–**
Padget Electronics Private Limited	1,000.00	–	–	–	–	–	1,000.00	–
Bond Given to Custom Department by joint venture companies on behalf of the company	**–**	**1,000.00**	**–**	**600.00**	**–**	**–**	**–**	**1,600.00**
AIL Dixon Technologies Private Limited	–	–	–	600.00	–	–	–	600.00
Padget Electronics Private Limited	–	1,000.00	–	–	–	–	–	1,000.00
Loan given to related party	**6,200.00**	**–**	**100.00**	**400.00**	**78.10**	**32.00**	**6,378.10**	**432.00**
AIL Dixon Technologies Private Limited	–	–	100.00	400.00	–	–	100.00	400.00
Padget Electronics Private Limited	6,200.00	–	–	–	–	–	6,200.00	–
Mr. Atul B. Lall	–	–	–	–	–	8.00	–	8.00
Mr. Saurabh Gupta	–	–	–	–	78.10	24.00	78.10	24.00
Loan repaid by the related party	**800.00**	**–**	**–**	**200.00**	**9.14**	**4.00**	**809.14**	**204.00**
AIL Dixon Technologies Private Limited	–	–	–	200.00	–	–	–	200.00
Padget Electronics Private Limited	800.00	–	–	–	–	–	800.00	–
Mr. Sunil Vachani	–	–	–	–	4.89	4.00	4.89	4.00
Mr. Atul B. Lall	–	–	–	–	4.03	–	4.03	–
Mr. Prithvi Vachani	–	–	–	–	0.22	–	0.22	–
Borrowings received from related party	**2,400.00**	**3,350.00**	**–**	**–**	**–**	**–**	**2,400.00**	**3,350.00**
Padget Electronics Private Limited (Net)	2,400.00	3,350.00	–	–	–	–	2,400.00	3,350.00

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Borrowings repaid to related party	**3,820.00**	**1,930.00**	**–**	**–**	**–**	**–**	**3,820.00**	**1,930.00**
Padget Electronic Private Limited (Net)	3,820.00	1,930.00	–	–	–	–	3,820.00	1,930.00
Director sitting fees	**–**	**–**	**–**	**–**	**12.60**	**7.70**	**12.60**	**7.70**
Mr. Rakesh Mohan	–	–	–	–	0.75	–	0.75	–
Mr. Manuji Zarabi	–	–	–	–	3.90	3.20	3.90	3.20
Ms. Poornima Shenoy	–	–	–	–	2.90	1.20	2.90	1.20
Mr. Manoj Maheshwari	–	–	–	–	3.20	2.30	3.20	2.30
Mr. Keng Tsung Kuo	–	–	–	–	1.85	1.00	1.85	1.00
Remuneration (including commission)	**–**	**–**	**–**	**–**	**1,310.69**	**1,137.48**	**1,303.19**	**1,137.48**
Mr. Sunil Vachani	–	–	–	–	469.00	500.00	469.00	500.00
Mr. Atul B. Lall	–	–	–	–	604.95	462.29	604.95	462.29
Mr. Saurabh Gupta *	–	–	–	–	128.92	96.60	128.92	96.60
Mr. Ashish Kumar #	–	–	–	–	67.81	53.69	67.81	53.69
Mr. Prithvi Vachani	–	–	–	–	10.01	9.90	10.01	9.90
Mr. Manuji Zarabi	–	–	–	–	7.50	5.00	7.50	5.00
Ms. Poornima Shenoy	–	–	–	–	7.50	5.00	7.50	5.00
Mr. Manoj Maheshwari	–	–	–	–	7.50	5.00	7.50	5.00
Mr. Keng Tsung Kuo	–	–			7.50			

* The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 1.95 lakhs and security premium amounting to ₹ 361.69 lakhs.
# The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 1.35 lakhs and security premium amounting to ₹ 250.40 lakhs.

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

b. Transactions /balances outstanding with related parties

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Outstanding balances										
Trade Payable	**6,805.95**	**12,749.02**	**–**	**–**	**–**	**–**	**–**	**–**	**6,805.95**	**12,749.02**
Dixon Global Private Limited	6,805.95	12,716.88	–	–	–	–	–	–	6,805.95	12,716.88
Padget Electronics Private Limited	–	32.14	–	–	–	–	–	–	–	32.14
Surety Bond Given to Custom Department on behalf of the Joint Venture companies	**–**	**–**	**1,400.00**	**1,400.00**	**–**	**–**	**–**	**–**	**1,400.00**	**1,400.00**
AIL Dixon Technologies Private Limited	–	–	1,400.00	1,400.00	–	–	–	–	1,400.00	1,400.00
Trade Receivables	**6,591.22**	**–**	**695.14**	**90.09**	**–**	**–**	**–**	**–**	**7,286.36**	**90.09**
AIL Dixon Technologies Private Limited	–	–	695.14	90.09	–	–	–	–	695.14	90.09
Padget Electronics Private Limited	6,591.22	–		–	–	–	–	–	6,591.22	–
Interest accrued but not due	**–**	**–**	**–**	**12.03**	**–**	**–**	**–**	**–**	**–**	**12.03**
AIL Dixon Technologies Private Limited	–	–	–	12.03	–	–	–	–	–	12.03
Loans	**5,400.00**	**–**	**500.00**	**–**	**–**	**–**	**–**	**–**	**5,900.00**	**–**
AIL Dixon Technologies Private Limited	–	–	500.00		–	–	–	–	500.00	–
Padget Electronics Private Limited	5,400.00	–	–	–	–	–	–	–	5,400.00	–
Amount Receivables	**–**	**–**	**–**	**400.00**	**–**	**–**	**–**	**–**	**–**	**428.00**
AIL Dixon Technologies Private Limited	–	–	–	400.00	–	–	–	–	–	428.00
Advances to Key management Persons	**–**	**–**	**–**	**–**	**126.84**	**57.87**	**–**	**–**	**126.84**	**57.87**
Mr. Atul B. Lall	–	–	–	–	0.07	4.10	–	–	0.07	4.10
Mr. Saurabh Gupta	–	–	–	–	125.33	47.23	–	–	125.33	47.23
Mr. Sunil Vachani	–	–	–	–	1.40	6.29	–	–	1.40	6.29
Mr. Prithvi Vachani	–	–	–	–	0.04	0.25	–	–	0.04	0.25
Mr. Ashish Kumar					39.35					
Payable to Key Management Persons	**–**	**–**	**–**	**–**	**5.58**	**–**	**–**	**–**	**5.58**	**–**
Mr. Manoj Maheshwari					1.48				1.48	–
Mr. Manuji Zarabi					1.75				1.75	–
Ms. Poornima Shenoy					1.39				1.39	–
Mr. Rakesh Mohan					0.69				0.69	–
Mr. Keng Tsung Kuo					0.27				0.27	–

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

b. Transactions /balances outstanding with related parties

(₹ in Lakhs)

Particulars	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Loans and Advances Payable	**–**	**1,420.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,420.00**
Padget Electronics Private Limited	–	1,420.00	–	–	–	–	–	–	–	1,420.00
Bond Given to Custom Department by the company behalf of Subsdiries /Joint ventures	**1,000.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,000.00**	**–**
AIL Dixon Technologies Private Limited	–	–	–	–	–	–	–	–	–	–
Padget Electronics Private Limited	1,000.00	–	–	–	–	–	–	–	1,000.00	–
Bond Given to Custom Department by joint venture companies on behalf of the company	**3,000.00**	**3,000.00**	**1,400.00**	**1,400.00**	**–**	**–**	**–**	**–**	**4,400.00**	**4,400.00**
AIL Dixon Technologies Private Limited	–	–	1,400.00	1,400.00	–	–	–	–	1,400.00	1,400.00
Padget Electronics Private Limited	3,000.00	3,000.00	–	–	–	–	–	–	3,000.00	3,000.00
Corporate guarantee	**50,300.00**	**6,000.00**	**–**	**–**	**–**	**–**	**–**	**–**	**50,300.00**	**6,000.00**
Dixon Global Private Limited	8,000.00	6,000.00	–	–	–	–	–	–	8,000.00	6,000.00
AIL Dixon Technologies Private Limited	500.00								500.00	–
Padget Electronics Private Limited	42,300.00								42,300.00	–
Investment in equity shares	**3,553.01**	**3,551.01**	**950.00**	**950.00**	**–**	**–**	**–**	**–**	**4,503.01**	**4,501.01**
Dixon Global Private Limited	100.01	100.01	–	–	–	–	–	–	100.01	100.01
AIL Dixon Technologies Private Limited	–	–	950.00	950.00	–	–	–	–	950.00	950.00
Dixon Electro Appliance Private Limited	1.00	1.00	–	–	–	–	–	–	1.00	1.00
Padget Electronics Private Limited	3,450.00	3,450.00	–	–	–	–	–	–	3,450.00	3,450.00
Dixon Technologies Solutions Private Limited	1.00	–	–	–	–	–	–	–	1.00	–
Dixon Electro Manufacturing Private Limited	1.00	–	–	–	–	–	–	–	1.00	–

Notes to Standalone Financial Statements

for the year ended 31 March, 2021

47 Consequent to the disruption caused due to COVID-19, the Company has made an assessment as at March 31, 2021 of recoverability of the carrying values of its assets such as property, plant and equipment, intangible assets having indefinite useful life, inventory, trade receivables, and other current assets giving due consideration to the internal and external factors. Further, on account of continued spread of COVID-19 disease in the country, the Company has made timely and requisite changes in the business model which has resulted in consistent growth across the product segments during the year. The Company is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.

48 The Board of Directors have recommended a final dividend of 50 % (₹ 1.00/- per Equity Share of ₹ 2/- each) for the financial year 2020-2021 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

49 The Government of Andhra Pradesh vide Order No. GO(MS) No. 170 dated December 16, 2016 and GO(MS) No. 37 dated March 03, 2017 has announced certain fiscal incentives to the company for setting up industries in the notified Electronics Manufacturing Clusters (EMCs) of the State.

Further, the activities of the Company fall under the scheme of Information Technology, Electronics & Communication (Promotions) department 2014-2020, based on the scheme and order passed the Company is eligible for 100% re-imbursement of the Stamp Duty, Transfer Duty and Registration Fee paid on sale/ lease deeds on the first transaction and 50% thereof on the second transaction, freight subsidy, transport subsidy interest subsidy etc.

Movement in the Incentive recoverable from Andhra Pradesh Government is given below:

Subsidy	Incentive	As at 31 March 2021 ₹/lakh
Stamp duty	100% of Stamp duty paid	66.00
Goods and Service tax ('SGST')	100% Net SGST paid for 5 years	181.00
Power	25% of cost Incurred, maximum to ₹ 200 lakhs within 5 years (Excluding MD and other charges)	143.00
Investment	20% of investment maximum of ₹ 1,000 lakhs	1,000.00
Freight	25% of cost incurred, maximum of ₹ 50 lakhs for a financial year for 5 years	169.00
Employee transportation	₹ 500 per employee per month maximum of ₹ 25 lakhs for a financial year for 3 years	75.00
Interest subsidy Term loan (borrowings)	Interest rate 5% on term loan, maximum of ₹ 150 lakhs for 5 years	0.56
		1,634.56

The management expect that the amount will be collected, accordingly no provision is required in the financial statements. The income under the schemes have been recognised amounting to ₹ 252 lakhs till 30 June, 2019. Post 30 June, 2019, incentive income have not been recognised based on prudence.

50 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Company will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

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.

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: Delhi
Date: 27 May, 2021

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: 27 May, 2021

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 venture, which comprise the consolidated Balance Sheet as at 31 March, 2021, 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 referred to on 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 the consolidated state of affairs of the Group and its joint venture as at 31 March, 2021, 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 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 opinion.

Emphasis of Matter

We draw attention to note no. 52 of the Consolidated financial statements and 'Emphasis of Matter' paragraph given by auditor of a subsidiary company which states that the subsidiary Company had filed an application dated 16 March, 2020 with Reserve Bank of India (RBI) for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 13,561.16 lakhs. Based on the RBI application, the subsidiary company has set off import payable amounting to ₹ 13,435.10 lakhs with trade receivables from distributors amounting to ₹ 13,354.16 lakhs and obsolete inventory of Import vendors amounting to ₹ 80.94 lakhs during the financial year 2019-20. The approval from RBI is still in process.

Our Opinion is not qualified in respect of this matter.

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 matter described below to be the key audit matter 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 of ₹ 187.97 lakhs as at 31 March, 2021. The Group's accounting policy on derivatives is disclosed in note 2.23 and related disclosures are included in note 41. 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 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.	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. • 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.

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 of the information included in Director's Report, Management Discussions and Analysis (MD&A) and Corporate Governance Report but does not include the financial statements and our auditor's report thereon, which we obtained on 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.
- If, based on the work we have performed, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to 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 venture 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 venture 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 venture 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 venture are responsible for assessing the ability of the Group and of its joint venture 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 venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

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 Holding Company has adequate internal financial controls system 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 venture 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 venture 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 venture 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 Matter

We did not audit the financial statements of two subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 36,281.78 lakhs as at 31

March, 2021, total revenues of ₹ 57,923.14 lakhs, profit after tax (including other comprehensive income) of ₹ 365.33 lakhs and net cash outflows amounting to ₹ 2,095.37 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, 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 the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the 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.

(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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies and its jointly controlled company is disqualified as on 31 March, 2021 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 venture 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, 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, 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 venture– Refer Note 35 (a) to the consolidated financial statements.

ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 35 (g) to the consolidated financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. Refer Note 35 (f) to the consolidated financial statements.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 21087701AAAADI1107

Place: New Delhi
Date: 27 May, 2021

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 Holding company as of and for the year ended 31 March, 2021, 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 venture, 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 subsidiary companies and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria. 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 Holding Company's business, including adherence to the respective company's policies, the safeguarding of the Holding 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 subsidiary companies and its joint venture 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 (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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls system 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 subsidiary company and its joint venture as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial reporting 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 Holding 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 Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding 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 subsidiary companies and its joint venture, 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, 2021, based on internal control over financial reporting criteria.

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.: 87701
UDIN: 21087701AAAADI1107

Place: New Delhi
Date: 27 May, 2021

Consolidated Balance Sheet

as at 31 March, 2021

(₹ in Lakhs)

	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	40,587.62	31,137.61
(b) Capital work-in-progress		7,239.03	955.21
(c) Intangible assets	6	399.67	437.12
(d) Right to use assets	38	13,217.65	9,017.01
(e) Goodwill		816.65	816.65
(f) Financial assets			
i. Other financial assets	8	1,234.39	912.00
(g) Deferred tax assets (Net)	34	–	25.29
(h) Other non-current assets	9	1,962.26	1,802.56
		65,457.27	**45,103.45**
Current assets			
(a) Inventories	10	74,324.55	49,784.35
(b) Financial assets			
i. Investments	7	9,525.31	–
ii. Trade receivables	11	1,08,905.65	51,511.93
iii. Cash and cash equivalents	12	6,384.13	9,565.64
iv. Other bank balances	13	504.11	450.31
v. Loans	14	250.00	–
vi. Other financial assets	8	1,204.12	3,125.55
(c) Other current assets	9	17,808.26	9,999.65
(d) Current tax assets	15	201.62	180.94
		2,19,107.75	**1,24,618.37**
TOTAL ASSETS		**2,84,565.02**	**1,69,721.82**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,171.39	1,157.01
(b) Other equity	17	72,559.76	52,976.24
		73,731.15	**54,133.25**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	18	7,996.05	1,101.75
ii. Other financial liabilities	19	12,957.28	8,836.08
(b) Provisions	20	875.02	650.04
(c) Deferred tax liabilities (net)	21	1,838.21	1,501.96
(d) Other non-current liabilities	24	92.70	99.84
		23,759.26	**12,189.67**
Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	22	7,134.13	7,180.33
ii. Trade payables	23		
Total outstanding dues of micro and small enterprises		5,685.56	1,759.24
Total outstanding dues of others		1,65,279.71	92,146.71
iii. Other financial liabilities	19	4,826.43	1,217.80
(b) Other current liabilities	24	3,577.75	539.49
(c) Provisions	20	562.99	438.53
(d) Current tax liabilities	25	8.04	116.80
		1,87,074.61	**1,03,398.90**
TOTAL EQUITY AND LIABILITIES		**2,84,565.02**	**1,69,721.82**

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: Delhi
Date: 27 May, 2021

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman & Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 27 May, 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2021

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31 March, 2021	Year Ended 31 March, 2020
	INCOME			
1	Revenue from operations	26	6,44,817.04	4,40,011.74
2	Other income	27	157.72	519.80
3	**Total income (1+2)**		**6,44,974.76**	**4,40,531.54**
4	**EXPENSES**			
	(a) Cost of materials consumed	28	5,75,341.03	3,91,334.13
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	1,631.28	(5,313.61)
	(c) Employee benefits expense	30	13,707.34	11,795.78
	(d) Finance costs	31	2,743.45	3,496.72
	(e) Depreciation and amortisation expense	32	4,372.07	3,652.52
	(f) Other expenses	33	25,478.89	19,889.17
	Total expenses (4)		**6,23,274.05**	**4,24,854.71**
5	Profit before exceptional items and tax (3-4)		21,700.71	15,676.83
6	Exceptional items		–	–
7	**Profit before tax (5-6)**		**21,700.71**	**15,676.83**
8	Tax expense:	34		
	(a) Current tax		5,464.16	4,066.31
	(b) Deferred tax		401.61	(402.05)
	(c) Minimum alternative tax credit entitlement		(38.63)	(78.28)
	(d) Income tax related to earlier years		(105.55)	40.84
	Tax expense (8)		**5,721.59**	**3,626.82**
9	Profit for the year (7-8)		**15,979.12**	**12,050.01**
10	**Other Comprehensive Income ('OCI')**			
	(a) Items that will not be reclassified to profit or loss - re-measurement of defined benefit liabilities		(7.10)	(60.96)
	(b) Income tax relating to items that will not be reclassified to profit or loss		1.80	15.62
	Other Comprehensive Income for the year		**(5.30)**	**(45.34)**
11	**Total Comprehensive Income for the year (9+10)**		**15,973.82**	12,004.67
12	Earnings per share	39		
	(Nominal value of share ₹ 2)			
	(a) Basic		27.49	21.11
	(b) Diluted		26.87	20.54

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: Delhi
Date: 27 May, 2021

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman & Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 27 May, 2021

Consolidated Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
A. Cash flow from operating activities		
Profit before tax	21,700.71	15,676.83
Adjustments for :		
Depreciation and amortisation expense	4,372.07	3,652.52
Finance costs	2,743.45	3,496.72
(Gain) /Loss on Exchange fluctuation on borrowings	58.31	243.53
Provision for impairment of property, plant and equipment	205.00	240.00
Interest income	(45.02)	(274.60)
Provision for doubtful debts / loans and advances written back	(4.07)	(226.88)
(Profit)/Loss on sale of property, plant and equipment	32.93	29.97
Excess liabilities, credit balances, provisions etc. written back	–	(1.49)
Provision for doubtful debts / loans and advances	18.60	–
Income from waiver of lease rent	(56.66)	–
Share based payment of employees	937.90	568.12
Bad debts write off	3.22	394.12
Fair value gain on mutual funds	(38.72)	(3.34)
	29,927.72	**23,795.50**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(24,540.20)	(6,685.57)
Trade receivables		
– non current	0.85	29,478.26
– current	(57,394.72)	7,921.08
Other financial assets		
– non current	(322.09)	(368.49)
– current	1,920.53	(979.62)
Other assets		
– non current	–	6.03
– current	(7,826.71)	(1,519.47)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables		
– non current	–	(31,556.50)
– current	77,052.64	10,487.48
Provisions		
– non current	224.98	178.79
– current	124.46	105.63
Other liabilities		
– non current	(7.14)	(6.14)
– current	3,038.76	(2,407.89)
Other financial liabilities	300.00	(420.62)
Cash generated from operating activities	**22,499.08**	**28,028.49**
Income tax paid (net)	(5,487.68)	(4,294.20)
Net cash generated from/(used in) operating activities	**17,011.40**	**23,734.29**

Consolidated Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2021	Year Ended 31 March, 2020
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment and intangible assets	(16,817.45)	(10,971.72)
Sale proceeds of property, plant and equipment	21.80	162.71
Purchase of investments	(9,525.31)	–
Loan given (net)	(250.00)	–
Purchase of share of Joint Control Entities	–	(2,700.00)
Sale of investments of Mutual fund	–	1,521.10
Income from mutual funds	38.72	3.34
(Increase) / decrease in bank balance not considered as cash and cash equivalent (net)	(53.80)	1,779.13
Interest income received	45.02	274.60
Net cash generated from/(used in) investing activities	**(26,541.02)**	**(9,930.84)**
C. Cash flow from financing activities		
Interest paid	(3,222.56)	(3,774.62)
Proceeds from issue of share	2,685.86	4,569.68
Proceeds from Non current borrowings	6,989.32	113.54
Proceeds / (repayment) of short term borrowings	(104.51)	(5,814.04)
Dividend paid	–	(689.11)
Payment of dividend distribution tax	–	(141.69)
Net cash generated from/(used in) financing activities	**6,348.11**	**(5,736.24)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(3,181.51)**	**8,067.21**
Cash and cash equivalents at the beginning of the year	9,565.64	1,442.70
Cash on acquisition of stake in joint venture	–	55.73
Cash and cash equivalents at the end of year	**6,384.13**	**9,565.64**

Notes:

1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.

2) Figures in brackets indicate cash outflow.

3) Figures for the previous year have been regrouped wherever considered necessary.

4) 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 and on behalf of the Board of Directors

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 27 May, 2021

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman & Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 27 May, 2021

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2021

a. Equity share capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 1 April, 2019	1,132.51
Add: Shares issued under employee stock option scheme (see note 42)	24.50
Balance as at 31 March, 2020	**1,157.01**
Add: Shares issued under employee stock option scheme (see note 42)	14.38
Balance as at 31 March, 2021	**1,171.39**

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, 2019	**703.36**	**9,604.05**	**33.24**	**264.26**	**26,146.66**	**(62.30)**	**36,689.27**
Profit for the year	-	-	-	-	12,050.01	-	**12,050.01**
Dividend paid	-	-	-	-	(689.31)	-	**(689.31)**
Dividend distribution tax	-	-	-		(141.69)	-	**(141.69)**
Share options expenses for the year	-	-	-	568.12	-	-	**568.12**
Transfer for share option exercised during the year	405.77	-	-	(405.77)	-	-	**-**
Premium on issue of share under employee stock option scheme	-	4,545.18	-	-	-	-	**4,545.18**
Remeasurement Gain/(Loss) on defined benefit plans	-	-	-	-	-	(45.34)	**(45.34)**
Balance as at 31 March, 2020	**1,109.13**	**14,149.23**	**33.24**	**426.61**	**37,365.67**	**(107.64)**	**52,976.24**
Profit for the year	-	-	-	-	15,979.12	-	**15,979.12**
Dividend paid	-	-	-	-	-	-	
Dividend distribution tax	-	-	-	-		-	**-**
Share options expenses for the year	-	-	-	937.90	-	-	**937.90**
Transfer for share option exercised during the year	492.78	-	-	(492.78)	-	-	**-**
Premium on issue of share under employss stock option scheme	-	2,671.80	-	-	-	-	**2,671.80**
Remeasurement Gain/(Loss) on defined benefit plans	-	-	-	-	-	(5.30)	**(5.30)**
Balance as at 31 March, 2021	**1,601.91**	**16,821.03**	**33.24**	**871.73**	**53,344.79**	**(112.94)**	**72,559.76**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman & Managing Director

Vinesh Jain
Partner
Membership No. 087701

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Delhi
Date: 27 May, 2021

Place: Noida
Date: 27 May, 2021

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

1 CORPORATE INFORMATION

The Dixon Technologies (India) Limited ('the Company' or 'the Holding Company') is a Public Limited Company incorporated in India having its registered office located at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India-201305. The Company's CIN - L32101UP1993PLC066581. It was incorporated as per the provisions of the Companies Act as Dixon Utilities and Exports Private Limited in the year 1993. The Company is listed on BSE Limited and National Stock Exchange of India Limited.

The Group transformed from being a manufacturer of electronic goods to leading multi-product corporation with widespread activities. The Company is primarily engaged in the manufacturing of electronics as its core business activity. It has three wholly owned Subsidiary Companies namely "Dixon Global Private Limited" , "'Dixon Electro Appliances Private Limited", 'Dixon Electro Manufacturing Private Limited', 'Dixon Technologies Solutions Private Limited" and "Padget Electronics Private Limited and one Joint Venture company namely "AIL Dixon Technologies Private Limited". The Parent Company, its subsidiaries and Joint Venture company together referred as "the Group". (See note 49)

2 BASIS OF ACCOUNTING

2.1 Statement of Compliance

Consolidated Financial statements ("CFS") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

The Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the consolidated Statement of Profit and Loss for the year ended 31 March 2021, the Consolidated Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements')."

The Consolidated Financial statements of the Group for the year ended 31 March, 2021 have been approved by the Board of Directors in their meeting held on 27 May, 2021

2.2 Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

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

Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Consolidated subsidiary have a consistent reporting date. The Group consolidates the financial statements of the parent and its subsidiary on line by line basis adding together the items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary are in consistency with the policies adopted by the Group.

The Parent company have 100% control over its subsidiaries so there is no Non controlling Interest.

Joint Venture

Investment in Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 – Joint Arrangements

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

For the information of consolidated entities refer note 49.

2.4 Current vs. Non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.5 Functional and Presentation Currency

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is also the Group's functional currency. All Financial information presented in INR has been rounded off to the nearest lakh as per the requirements of Schedule III of "the Act" , unless otherwise stated.

2.6 Use of Estimates and Judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

The areas involving critical estimates or judgments are:

Impairment of investments in subsidiaries

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. "

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2.18."

Fair value measurement of financial instruments

When the fair value 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 inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.23, 2.27.

2.7 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

inventories to their present location and condition and is determined on first in first out ('FIFO') basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2.8 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.9 Property, Plant and Equipment

Recognition and Measurement:

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

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.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

Subsequent expenditure and componentisation

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. The carrying amount of the replaced part is derecognised. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation and Amortization

Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. The Group uses the useful life of assets as per Schedule II of the Companies Act, however in certain components of property, plant and equipment the life has been provided based on the useful life as follows:

Nature	Life in years
Plant and machinery	2-15 years
Tools and dies	15 years
Fan, coolers, air conditioners etc.	5 years
Computers	3 to 6 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer over estimated useful lives which are different from the useful life prescribed in

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each Financial year-end and adjusted if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

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 Investment properties

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.
- Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.
- Any gain or loss on 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.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of "the Act".
- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the 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.

2.11 Intangible Assets

Recognition and Measurement

The intangible assets comprises software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

- Intangible assets is amortised on straight line method over a period of three to six years.
- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

2.12 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

2.13 Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied: -

- The sale is highly probable, and
- The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non current assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

2.14 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

2.15 Revenue Recognition

The Group engaged in the manufacturing washing machine, Moulding and Other Electronics etc.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Description of performance obligations are as follows:

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales-related warranties associated with sale of goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Interest Income

For all debt instruments measured either at amortized cost or at Fair Value through Other Comprehensive Income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the Financial instrument or a shorter period, where appropriate, to the gross carrying amount of the Financial asset.

Dividend Income

Dividend Income from investments is recognized when the Group's right to receive payment has been established.

Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Insurance claims

Insurance claims are accounted for on acceptance or to the extent amount have been received.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

2.16 Leases

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 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.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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 of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Arrangements in the nature of lease

The Group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Group applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

2.17 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or 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 qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

2.18 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period."

Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.19 Borrowing Cost

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Group considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.20 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

Warranty Provision is measured at discounted present value using 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."

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and 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 or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Financial Statements.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

2.21 Employee Benefits

Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits

Leave, as the leave accrued, if any, lapses at the end of the year and hence, no liability in respect of accrued leave arises.

Post Employment Benefits

The Group operates the following post employment schemes:

– Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

2.22 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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 equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.23 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity. 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 consolidated statement of Profit and Loss."

Financial assets

– **Recognition and initial measurement:**

A Financial asset is initially measured at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

– **Classification and subsequent measurement:**

For purposes of subsequent measurement, Financial assets are classified in four categories:

o Measured at Amortized Cost;

o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

o Measured at Fair Value Through Profit or Loss (FVTPL); and

o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing Financial assets.

– **Measured at amortized cost:**

A debt instrument is measured at the amortized cost if both the following conditions are met:

– The asset is held within a business model whose objective is achieved by both collecting 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 (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

– **Measured at FVTOCI:**

A debt instrument is measured at the FVTOCI if both the following conditions are met:

– The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and

– The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

– **Measured at FVTPL:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

– **Equity Instruments measured at FVTOCI:**

Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

All other Financial instruments are classified as measured at FVTPL.

Derecognition

The Group derecognizes a Financial asset on trade date only 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 entity.

– **Impairment of Financial Assets**

The Group assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

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:

– **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

– **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

– **Financial Guarantee Contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

– **Derecognition**

A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported 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 realize 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 counterparty.

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. The Group does not hold derivative Financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative 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 Statement of profit and loss immediately.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

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.

2.24 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM comprises Board of directors, Managing Director & Vice Chairman and Chief Financial Officer which assesses the financial performance and position of the Group and makes strategic decisions.

2.25 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.26 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

2.27 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the 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 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

– Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.28 Research and development expenditure

Research and development expenditure that do not meet the criteria for the recognition of intangible assets are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

3 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose condolidated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

a. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Specified format for disclosure of shareholding of promoters.

d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e. If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

a. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

   The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements 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 Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement 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. Defined Benefit Obligation (DBO): 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 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 judgement by management regarding the probability of exposure to potential loss.

Notes to Consolidated Financial Statements

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f. Impairment of Financial Assets: The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Allowances for Doubtful Debts: The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

h. 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 are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

i. Warranty : Warranty Provision is measured at discounted present value using 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, 2021

5 Property, plant and equipment

(₹ in Lakhs)

Particulars	Land	Office buildings	Factory buildings	Residential building	Electric installations	Plant and machinery	Tools and dies	Fan, coolers, air conditioners etc.	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
At cost or deemed cost													
Balance as at 31 March, 2019	**1,017.64**	**477.39**	**4,898.52**	**–**	**727.00**	**15,450.59**	**2,339.85**	**377.05**	**260.84**	**1,594.12**	**553.52**	**562.25**	**28,258.77**
Adjustment on acquisition of share of joint venture (See note 49)	–	–	168.31	–	59.29	1,582.34	18.94	–	10.46	72.69	0.36	77.06	1,989.45
Additions	176.18	10.52	2,747.57	464.95	631.40	3,428.94	560.44	120.48	214.01	433.56	282.96	154.29	9,225.30
Disposals	–	–	–	–	–	135.44	122.45	0.38	–	7.45	15.77	6.19	287.68
Balance as at 31 March, 2020	**1,193.82**	**487.91**	**7,814.40**	**464.95**	**1,417.69**	**20,326.43**	**2,796.78**	**497.15**	**485.31**	**2,092.92**	**821.07**	**787.41**	**39,185.84**
Additions	–	–	531.90	–	367.22	9,413.02	1,356.31	28.93	274.32	467.86	241.39	515.79	13,196.74
Disposals	–	–	3.37	–	2.27	190.03	0.08	1.94	1.12	1.33	109.25	91.81	401.21
Balance as at 31 March, 2021	**1,193.82**	**487.91**	**8,342.92**	**464.95**	**1,782.64**	**29,549.42**	**4,153.01**	**524.14**	**758.51**	**2,559.45**	**953.21**	**1,211.39**	**51,981.37**
Accumulated depreciation and impairment													
i. Accumulated depreciation													
Balance as at 31 March, 2019	**23.67**	**18.22**	**430.74**	**–**	**170.25**	**2,414.28**	**445.16**	**180.35**	**88.05**	**295.51**	**211.27**	**295.72**	**4,573.22**
Adjustment on acquisition of share of joint venture (See note 49)	–	–	16.46	–	16.77	141.49	1.65	–	4.91	21.63	0.11	45.21	248.23
Charge for the Year	7.89	7.89	247.08	12.27	117.83	1,708.15	333.16	83.52	69.55	190.20	78.14	163.07	3,018.75
Disposals	–	–	–	–	–	78.74	1.06	0.37	–	2.90	10.94	1.21	95.22
Balance as at 31 March, 2020	**31.56**	**26.11**	**694.28**	**12.27**	**304.85**	**4,185.18**	**778.91**	**263.50**	**162.51**	**504.44**	**278.58**	**502.79**	**7,744.98**
Charge for the Year	7.90	11.72	321.26	12.27	151.08	1,962.64	229.74	76.77	94.99	206.77	107.02	176.88	3,359.04
Disposals	–	–	0.04	–	0.56	39.98	0.01	0.91	0.45	0.28	89.82	86.47	218.52
Balance as at 31 March, 2021	**39.46**	**37.83**	**1,015.51**	**24.54**	**455.37**	**6,107.84**	**1,008.64**	**339.36**	**257.05**	**710.94**	**295.77**	**593.20**	**10,885.50**
ii. Impairment losses													
Balance as at 31 March, 2019	**–**	**–**	**–**	**–**	**–**	**56.80**	**6.45**	**–**	**–**	**–**	**–**	**–**	**63.25**
Additions	–	–	–	–	–	240.00	–	–	–	–	–	–	240.00
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31 March, 2020	**–**	**–**	**–**	**–**	**–**	**296.80**	**6.45**	**–**	**–**	**–**	**–**	**–**	**303.25**
Additions	–	–	–	–	–	205.00	–	–	–	–	–	–	205.00
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at 31 March, 2021	**–**	**–**	**–**	**–**	**–**	**501.80**	**6.45**	**–**	**–**	**–**	**–**	**–**	**508.25**
Net carrying amount													
As at 31 March, 2020	**1,162.26**	**461.80**	**7,120.12**	**452.68**	**1,112.84**	**15,844.45**	**2,011.42**	**233.65**	**322.80**	**1,588.48**	**542.49**	**284.62**	**31,137.61**
As at 31 March, 2021	**1,154.36**	**450.08**	**7,327.42**	**440.41**	**1,327.27**	**22,939.78**	**3,137.92**	**184.78**	**501.46**	**1,848.51**	**657.43**	**618.19**	**40,587.62**

Notes:

i. Free hold land includes land purchased in auction held by a Nationalised bank in the year 2016-17 marked as Plot no C 2/1,selaqui, Dehradun, Uttarakhand and registered in the name of the company. During the said year and thereafter, a party has instituted legal case disputing our 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 matters contested at DRT and DRAT has been decided in the favour of the Company. Further, the Company, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is successfully defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250.34 Lakhs and capital assets created thereon as on 31 March, 2021 is ₹ 1,477.78 Lakhs.

ii. Information of the assets pledge as security, refer note 18, 22 and 36.

Notes to Consolidated Financial Statements

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6 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software
At cost or deemed cost	
Balance as at 31 March, 2019	**577.49**
Adjustment on acquisition of share of joint venture (See note 49)	8.91
Additions	51.77
Disposals	–
Balance as at 31 March, 2020	**638.17**
Additions	69.11
Disposals	–
Balance as at 31 March, 2021	**707.28**
Accumulated amortisation	
Balance as at 31 March, 2019	**105.44**
Adjustment on acquisition of share of joint venture (See note 49)	5.69
Charge for the year	89.92
Disposals	–
Balance as at 31 March, 2020	**201.05**
Charge for the year	106.55
Disposals	–
Balance as at 31 March, 2021	**307.60**
Net carrying amount	
At 31 March, 2020	**437.12**
At 31 March, 2021	**399.67**

7 Investments

A. Current investments

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Units	Amount	Units	Amount
Investment in Mutual fund				
(Quoted, at fair value)				
-SBI Mutual Fund - Overnight Fund	1,66,138	5,514.68	–	–
-Axis Overnight Fund	2,77,015	3,010.07	–	–
-ICICI Prudential Mutual Fund	9,03,698	1,000.56	–	–
		9,525.31		**–**

Notes to Consolidated Financial Statements
for the year ended 31 March, 2021

8 Other financial assets

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
I.	**Non-current**		
a.	Amount paid under protest to government authorities	229.50	224.31
b.	Security deposits	1,004.89	687.69
		1,234.39	**912.00**
II.	**Current**		
a.	Loan and advances to others	–	228.00
b.	Security deposits	58.21	105.36
c.	Advances to employees	421.76	125.99
d.	Amount receivables from government authorities (Incentive receivables and refund recoverable)	697.36	831.22
e.	Outstanding forward Marked to Market (MTM)	–	1,616.16
f.	Other receivables	26.79	218.82
		1,204.12	**3,125.55**

9 Other assets

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
I.	**Non-current**		
a.	Capital advances	1,962.26	1,802.56
b.	Other advances considered doubtful	70.39	28.58
	Less : Provision for doubtful advances	(70.39)	(28.58)
		–	**–**
		1,962.26	**1,802.56**
II.	**Current**		
a.	Balance with government authorities (see note below)	12,765.13	8,617.40
b.	Advances to suppliers	4,595.23	1,063.36
c.	Prepaid expenses	447.90	318.89
		17,808.26	**9,999.65**

Note

Balance with government authorities includes goods and service tax, custom duty etc.

10 Inventories

(Lower of cost and net realisable value)

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	Raw materials and packing materials etc.		
	– in stock	46,547.07	31,188.62
	– in transit	13,980.65	3,167.62
b.	Work-in-progress	10,256.17	11,202.42
c.	Finished goods	3,540.66	4,225.69
		74,324.55	**49,784.35**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

11 Trade receivables

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a.	Unsecured, considered good	1,08,906.65	51,511.93
b.	Unsecured, considered doubtful	144.78	147.33
		1,09,051.43	**51,659.26**
	Less: Allowances for doubtful debts (expected credit loss allowances) (Refer Note 41)	(144.78)	(147.33)
		1,08,905.65	**51,511.93**

12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Balances with banks - in current accounts	6,340.26	9,520.60
b. Cash on hand	43.87	45.04
	6,384.13	**9,565.64**

13 Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Margin money deposits (see note below)	503.69	449.99
b. Unpaid dividend accounts	0.42	0.32
	504.11	**450.31**
Note		
Margin Money deposit balances are more than 3 month but less than 12 months. Margin money is held against letter of credit.		

14 Loans

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Loan to others		
Unsecured, considered good	250.00	–
	250.00	**–**

15 Current tax assets

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Advance income tax (net)	201.62	180.94
	201.62	**180.94**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

16 Equity share capital

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares of ₹ 2 each (Previous year ₹ 10 each)	13,00,00,000	2,600.00	2,60,00,000	2,600.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each fully paid up (Previous year ₹ 10 each)	5,85,69,355	1,171.39	1,15,70,141	1,157.01
	5,85,69,355	**1,171.39**	**1,15,70,141**	**1,157.01**
a. Reconciliation of equity shares				
Balance as at the beginning of the year	1,15,70,141	1,157.01	1,13,25,091	1,132.51
Equity shares arising on shares split from ₹ 10 to ₹ 2 per share (Refer note below)	4,62,80,564	–	–	–
Share issued under employees stock option scheme	7,18,650	14.38	2,45,050	24.50
Balance as at the end of the year	**5,85,69,355**	**1,171.39**	**1,15,70,141**	**1,157.01**

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 Holding Company has only one class of equity shares having par value of ₹ 2 per share (Previous year ₹ 10 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 HoldingCompany, 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 Company.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Mr. Sunil Vachani		
No's of shares	1,98,09,520	2,00,56,040
% holding	33.82%	34.67%
Mrs. Kamla Vachani		
No's of shares	44,93,965	49,40,220
% holding	7.67%	8.54%
SBI Magnum Global Fund		
No's of shares	–	47,78,470
% holding	–	8.26%
Reliance Capital Trustee Company Limited		
A/C Reliance Growth Fund		
No's of shares	–	38,56,010
% holding	–	6.67%

Notes to Consolidated Financial Statements

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d. Summary of dividend and proposed dividend

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2020: ₹ 2 per share	–	226.50
Dividend Distribution Tax on final dividend	–	46.56
Interim dividend for the year ended on 31 March 2020: ₹ 4 per share	–	462.81
Dividend Distribution Tax on interim dividend	–	2.63
	–	**735.87**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2021: ₹ 1 per share (previous year ₹ Nil per share)	585.70	–
Dividend Distribution Tax on proposed dividend	103.38	–
	689.08	**–**

The Board of Directors have recommended a final dividend of 50 % (₹ 1.00 per Equity Share of ₹ 2.00 each) for the financial year 2020-2021 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

e. 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 has 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 held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held.

f. Shares held by Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

g. Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31st March 2018, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1,766 per share (including premium of ₹ 1,756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 5999.99 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Company on 14th September 2017 and the shares of the Company were listed on the stock exchanges on 18th September 2017.

h. Shares reserved for issue under option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 42. 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

17 Other equity

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. General reserve	1,601.91	1,109.13
b. Securities premium	16,821.03	14,149.23
c. Capital redemption reserve	33.24	33.24
d. Other comprehensive income	(112.94)	(107.64)
e. Share option outstanding account	871.73	426.61
f. Retained earnings	53,344.79	37,365.67
	72,559.76	**52,976.24**
a. General reserve		
Opening balance	1,109.13	703.36
Transfer for share option exercised during the year	492.78	405.77
Closing balance	**1,601.91**	**1,109.13**
b. Securities premium		
Opening balance	14,149.23	9,604.05
Add: Premium on issue of share under employees stock option scheme (see note 42)	2,671.80	4,545.18
Closing balance	**16,821.03**	**14,149.23**
c. Capital redemption reserve		
Opening balance	33.24	33.24
Closing balance	**33.24**	**33.24**
d. Other comprehensive income-		
Remeasurement of defined benefit plans		
Opening balance	(107.64)	(62.30)
Movement during the year	(5.30)	(45.34)
Closing balance	**(112.94)**	**(107.64)**
e. Share option outstanding		
Opening balance	426.61	264.26
Add : Granted/ vested during the year	937.90	568.12
Less : Exercised during the year (Refer note 42)	492.78	(405.77)
Closing balance	**871.73**	**426.61**
f. Retained earnings		
Opening balance	37,365.67	26,146.66
Add : Profit for the year	15,979.12	12,050.01
Less: Appropriation		
Final dividend on equity shares	–	226.50
Dividend distribution tax on final dividend	–	46.56
Interim dividend on equity shares	–	462.81
Dividend distribution tax on interim dividend	–	95.13
Closing balance	**53,344.79**	**37,365.67**

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 Group is recognised in securities premium.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

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 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.

18 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
i. From banks (Secured)		
a. Foreign currency loans		
– Standard Chartered Bank (see note 'a' below)	–	266.07
b. Rupee loan		
Term Loan		
– HDFC Bank Limited (see note 'c' below)	4,400.00	–
– Qatar National bank (see note 'b' below)	3,650.00	650.00
– Vehicle Loans (see note 'd' below)	120.52	202.15
	8,170.52	**1,118.22**
ii. From others (Secured)		
– Tata Capital Housing Finance Limited (see note 'e' below)	153.13	164.05
– Bajaj Finance Limited (see note 'f' below)	144.60	180.11
– Vehicle Loans (see note 'd' below)	7.00	24.54
	304.73	**368.70**
Total	**8,475.25**	**1,486.92**
Less: Current maturities of long term borrowings (refer note 19)	479.20	385.18
	7,996.05	**1,101.75**

Notes:

a. USD 20,00,000 Foreign currency loan (sanctioned) from Standard Chartered Bank was secured against first pari passu charge on movable Property, Plant and Equipment excluding vehicles (both Present & future), and on immovable Plot B-14-15, Phase-II, Noida (UP) (including building) and second charges on current assets (both Present and future), further secured by personal guarantee of Chairman Mr. Sunil Vachani which was released on loan repayment and was repayable in 17 Quarterly instalments from December, 2016. Loan fully repaid on December, 2020. Rate of interest was Libor+275 BPS and loan was fully hedged.

b. Term loan of ₹ 3,650.00 lakhs from Qatar bank is repayable in 8 half yearly instalments including two year moratorium, 40% in 4 equal half yearly instalments from 31 July, 2022 and remaining 60% in rest 4 equal half yearly instalments . Rate of interest on loan is linked to one year MCLR +1.10%of bank and interest is to be paid on monthly basis. The loan is secured against exclusive charge on land, building and machinery situted at plot no 30 & 31 EMC 2 Tirupati , Chittoor (Andhrapradesh), current assets and including cash flows of the said project with security cover of 1.25 times and exclusive mortgage and hypothecation charge on current assets.

c. Term loan of ₹ 2,000.00 lakhs from HDFC bank is repayable in 5 years including one year moratorium followed by 20%, 20%, 30%, and 30% repayment in 2nd, 3rd, 4th and 5th year respectively. Rate of interest on loan is linked to 6 month MCLR+.60% of bank and

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

interest is to be paid on monthly basis. The loan is secured against exclusive charge on movable fixed assets of the company located in 262M, Central Hope Town, Selakui, Dehradun and C/1 Selakui 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, Selakui, Dehradun.

Term loan of ₹ 2,400.00 lakhs from HDFC bank is repayable in 16 equal quartely installment from March'2022 to March'26. Primary security for the loan is Corporate Guarantee from holding company and exclusive charge on movable Property, Plant and Equipment of the subsidiary Company. Rate of Interest is 6 months MCLR plus 60 BPS."

d. 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 on 2022, bearing interest rate varying from 8.70% p.a to 10.24% p.a.

e. 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.

f. The subsidiary Company has obtained credit facility-Term Loan 500.00 lakhs (Sanctioned amount) secured by first and exclusive hypothecation charge on all existing and future current assets and movable fixed assets of the Company and is repayable in 20 quarterly instalments from June 2020 to March 2025 bearing a floating interest rate 9.40% per annum as of 31 March, 2021).

19 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
A) Non Current		
Payable for lease obligation	12,957.28	8,836.08
	12,957.28	**8,836.08**
B) Current		
a. Current maturities of long term borrowings (see note 'i' below)	479.20	385.18
b. Outstanding forward Marked to Market (MTM)	187.97	4.31
c. Unpaid dividend	0.42	0.32
d. Interest accrued but not due on borrowings	34.69	31.80
e. Payable for capital goods	3,042.63	278.66
f. Payable for lease obligation	886.96	439.31
g. Employee related liabilities	194.56	78.22
	4,826.43	**1,217.80**

Notes:

For security clause and repayment terms of borrowings, refer note 18.

20 Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
A) Non Current		
a. Provision for employee benefit		
i. Provision for gratuity (see note 43)	815.41	650.04
ii. Provision for compensated absences	59.61	–
	875.02	**650.04**
B) Current		
a. Provision for employee benefits		
i. Provision for gratuity (see note 43)	107.50	66.90
ii. Provision for compensated absences	15.50	–
b. Provision for warranty (see note below)	439.99	371.63
	562.99	**438.53**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Note:		
Movement in provision for warranty		
Opening balance	371.63	287.19
Addition provision made during the year	793.00	544.76
Claim paid / adjustments during the year	724.64	460.32
Closing provision	**439.99**	**371.63**
Basis of warranty:		
The Group gives thirty months warranty on LED bulbs and twelve months warranties on television and washing machines. LED bulbs are replaced with new bulbs and in respect of televisions and washing machines defective part is changed		

21 Deferred tax (net)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
A. Deferred tax liabilities (net)		
a. Deferred tax liability	2,299.19	1,601.11
b. Deferred tax assets	329.41	225.42
c. Minimum alternative tax credit entitlement	131.57	–
	1,838.21	**1,375.69**
Add: Adjustment on acquisition of share of joint venture (see note 49)	–	126.27
	1,838.21	**1,501.96**
B. Deferred tax assets (net)		
a. Deferred tax assets		
i. Arising on account of timing differences in accrued expenses	–	1.96
ii. Minimum alternative tax credit entitlement	–	92.94
iii. Others	–	115.46
b. Deferred tax liability	–	185.07
	–	**25.29**

Note:

For deferred tax movement and tax reconciliation refer note 34.

22 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. From Banks (Secured)		
i. Buyer Credits (Refer note 'a')	7,125.27	4,680.33
ii. Working capital loan (Refer note 'c')	8.86	–
b From Banks (Un Secured)		
i. Commercial Paper (Refer note 'b')	–	2,500.00
	7,134.13	**7,180.33**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

Note:

a. Borrowings from banks (comprising of Libor financing -Buyer Credit backed by SBLC/Bank guarntee) 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. These are further secured by first pari-passu charge on entire block of (present and future) Property, Plant and Equipment comprising of land, building, plant and machinery etc. coupled with equitable mortgage of land and property at B-14 & B-15, Phase-II and Exclusive Charge over C-33 Phase II Noida (UP) and Exclusive Charge over Industrial Property located at Plot 18, Block B, Phase II, Noida (UP), Exclusive Charge over Industrial Property located Khasra No. 1050, Central Hope Town, Industrial Area, Selaqui, Dehradun (Uttarakhand), exclusive Charge on movable Fixed Assets of the unit located at plot no 262M, Industrial area, Central hope Town, Selaqui, and District – Dehradun (both Present and Future). First Pari Passu Charge over Movable Fixed Assets of unit located at C-1 Selaqui industrial Area, Dehradun (Uttrakhand). First Pari Passu charge over current assets of Co-borrower (DGPL), both present and future for Co-borrowers Limits. First Pari Passu Charge (with Bank's overseas Business Unit only) on the entire moveable fixed assets (except those exclusively charged to other lenders) of the borrower, both present and future. Second Pari Passu Charge by way of equitable mortgage over the immovable fixed assets at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh. Second Pari Passu Charge on the entire equitable mortgage over the immovable fixed assets (except those exclusively charged to other lenders) at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh.

b. During the previous year, Commercial paper for ₹ 2,500.00 lakhs were issued through IPA account with HDFC bank to HDFC bank on 5 March, 2020 for a period of 90 days.

c. During the year, the subsidiary company has been taken the working capital loan for payment of custom duty, salary payment etc. upto 180 days. Interest rate is FBIL MOBOR

23 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Total outstanding dues of micro and small enterprises*	5,685.56	1,759.24
b. Total outstanding dues of others	1,65,279.71	92,146.71
	1,70,965.27	**93,905.95**

* For detailed disclosure of micro and small enterprises see note 37

24 Other liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
A) Non Current		
Deferred Government Grant	92.70	99.84
(MSIP's Incentive approved by "Ministry of Electronics & Information Technology, India")		
	92.70	**99.84**
B) Current		
a. Advances received from customers	463.41	45.55
b. Statutory dues payable	3,114.34	493.94
	3,577.75	**539.49**

25 Current tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net)	8.04	116.80
	8.04	**116.80**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

26 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Revenue from contracts with customers disaggregated based on nature of product or service		
a. Revenue from sale of products		
Manufactured goods	6,36,191.50	4,35,787.62
	6,36,191.50	**4,35,787.62**
b. Revenue from sale of services		
Service charges received	91.67	30.00
Job work charges	8,504.22	3,921.81
	8,595.89	**3,951.81**
c. Other operating revenue		
Export benefits	17.21	5.68
Rent received (production facility charges)	12.33	9.76
GST incentive on area base exemption	–	172.69
Other incentive	–	77.26
Scrap sale	0.11	6.92
	29.65	**272.31**
Total revenue from operations	**6,44,817.04**	**4,40,011.74**
B. Disaggregated revenue information		
The table below presents disaggregated revenue from contact with customers for the year ended March 2021 and March 2020. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	6,44,166.57	4,39,656.00
b. Exports	650.47	355.74
	6,44,817.04	**4,40,011.74**

27 Other income

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest income		
– On fixed deposits/ margin money	34.29	218.90
– Others	10.73	55.70
Other non operating income		
Incentive income	7.14	7.14
Exchange fluctuations (net)	6.11	
Income from waiver of lease rent	56.66	–
Provision for doubtful debts / loans and advances written back	4.07	226.88
Income from mutual fund Investment	38.72	3.34
Profit on sale of property, plant and equipment	–	0.21
Excess liabilities, credit balances, provisions etc. written back	–	1.49
Other receipts	–	6.14
	157.72	**519.80**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

28 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Opening Stock	31,188.62	27,614.46
Add: Addition in stock on acquisition of shares of joint venture	–	1,757.58
Add: Purchase (Including Components)	5,90,699.48	3,93,150.71
	6,21,888.10	**4,22,522.75**
Less: Closing stock	46,547.07	31,188.62
	5,75,341.03	**3,91,334.13**

29 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Inventories at the beginning of the year		
Finished Goods	4,225.69	2,417.44
Add: addition in finished goods on acquisition of 50% of joint venture (see note 49)	–	114.74
Work in Progress	11,202.42	7,191.64
Add: addition in work in progress on acquisition of shares of joint venture (see note 49)	–	390.68
	15,428.11	**10,114.50**
Inventories at the end of the Year		
Finished Goods	3,540.66	4,225.69
Work in Progress	10,256.17	11,202.42
	13,796.83	**15,428.11**
(Increase)/Decrease	**1,631.28**	**(5,313.61)**

30 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Salaries and wages	10,184.06	9,234.80
Contribution to provident and other funds	618.48	499.29
Provision for gratuity	209.81	159.52
Share based payments to employees	937.90	568.12
Staff welfare expense	1,757.09	1,334.05
	13,707.34	**11,795.78**

31 Finance costs

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest on borrowings	1,896.93	2,901.42
Interest on lease obligation	808.10	526.36
Other financial charges	38.42	68.94
	2,743.45	**3,496.72**

Notes to Consolidated Financial Statements

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32 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
On property, plant and equipment	3,359.04	3,018.75
On intangible assets	106.55	89.92
On right of use assets	906.47	543.85
	4,372.07	**3,652.52**

33 Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Consumption of stores and spares	933.87	531.54
Contractor wages and job work charges	13,133.03	10,864.70
Service charge paid	195.96	0.11
Power and fuel	2,639.35	2,220.41
Rent	545.20	307.71
Repairs and maintenance:		
– for buildings	114.56	77.49
– for Plant and equipment	247.00	186.57
– for others	338.65	274.97
Insurance	454.68	274.05
Rates and taxes	197.95	197.46
Selling and distribution expenses	2,443.58	1,490.40
Donations	10.85	3.77
Payment to auditors (refer note below)	32.00	27.99
Bad debts write off	3.22	394.12
Provision for doubtful debts / loans and advances	18.60	–
Provision for impairment of property, plant and equipment	205.00	240.00
Loss on sale of property, plant and equipment	32.93	29.97
Corporate social responsibility expenses (see note 44)	221.13	132.68
Exchange Fluctuations (Net)	65.82	176.61
Bank charges	528.48	447.29
Miscellaneous expenses	3,117.04	2,011.33
	25,478.89	**19,889.17**

Note:

Payment to auditors comprises:

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Statutory auditors		
Audit Fees	26.79	23.62
Tax Audit Fees	3.50	3.00
Out of pocket expenses	1.71	1.37
	32.00	**27.99**
Other auditor		
Payment to Cost Auditor	3.85	3.75
	35.85	**31.74**

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for the year ended 31 March, 2021

34 Tax expense

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Current Tax	5,464.16	4,066.31
Deferred Tax	401.61	(402.05)
	5,865.77	**3,664.26**
Mat credit entitlement	(38.63)	(78.28)
Income Tax for earlier years (net)	(105.55)	40.84
	(144.18)	**(37.44)**
Tax expenses for the year	**5,721.59**	**3,626.82**
A. Reconciliation of income tax expense to statutory income tax rate of income		
Profit before tax	21,700.71	15,676.83
Income tax Rate	25.17%	25.63%
Estimated income tax expense	5,461.39	4,017.28
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense :		
Non taxable income/expense (net)	52.73	(113.92)
Tax reversal due to tax rate change	–	(479.55)
Adjustment recognised in current year in relation to the current tax of prior years	19.48	(1.32)
Expense disallowed under tax allowance	8.58	10.32
Impact of consoldiation adjustments	–	111.71
Adjustment due to different tax rate in subsidiaries and joint venture company	(0.07)	2.82
Others	323.65	116.91
	404.38	**(353.03)**
Income Tax expense in the Statement of Profit and Loss	**5,865.77**	**3,664.26**
B. Summary of deferred tax		
I. Deferred tax charge		
A. Charge to profit and loss		
– Movement of deferred tax assets	67.65	(131.32)
– Movement of deferred tax liabilities	469.26	(533.37)
	401.61	**(402.05)**
B. Charge to other comprehensive income		
– Movement of deferred tax assets	–	(0.26)
– Movement of deferred tax liabilities	(1.80)	(15.88)
	(1.80)	**(15.62)**
	399.81	**(417.67)**
II. Deferred tax liabilities (net)		
Deferred tax liability	2,299.19	1,601.11
Deferred tax assets	329.41	225.42
	1,969.78	**1,375.69**
Add: Adjustment on acquisition of share of joint venture (see note 49)	–	126.27
Add: Minimum alternative tax credit entitlement	131.57	–
	1,838.21	**1,501.96**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

III. Movement in the deferred tax liabilities (net):

(₹ in Lakhs)

Particulars	As at 1 April, 2020	Recognised in Profit and loss	Recognised in OCI	Adjustment on acquisition (see note 49)	As at 31 March, 2021
Deferred tax liabilities					
– Depreciation	2,417.25	(122.40)	–	–	2,294.84
– Others	(678.89)	682.80	(0.36)	–	4.35
	1,738.36	**560.39**	**(0.36)**	**–**	**2,299.19**
Deferred tax assets					
– Expenses allowed on payment basis	238.70	36.82	1.44	–	276.96
– Others	(2.30)	54.31	–	–	52.45
	236.40	**91.13**	**1.44**	**–**	**329.41**
	1,501.96	**469.26**	**(1.80)**	**–**	**1,969.78**

(₹ in Lakhs)

Particulars	As at 1 April, 2019	Recognised in Profit and loss	Recognised in OCI	Adjustment on acquisition (see note 49)	As at 31 March, 2020
Deferred tax liabilities					
– Depreciation	2,291.96	(10.21)	–	135.50	2,417.25
– Others	–	(681.84)	1.20	1.75	(678.89)
	2,291.96	**(692.05)**	**1.20**	**137.25**	**1,738.36**
Deferred tax assets					
– Expenses allowed on payment basis	180.87	30.14	17.08	10.61	238.70
– Others	186.15	(188.82)	–	0.37	(2.30)
	367.02	**(158.68)**	**17.08**	**10.98**	**236.40**
	1,924.94	**(533.37)**	**(15.88)**	**126.27**	**1,501.96**

IV. Movement in the deferred tax assets (net):

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax (net)		
Deferred tax assets	–	117.42
Deferred tax liability	–	185.07
	–	**(67.65)**
Add: Minimum alternative tax credit entitlement	–	92.94
	–	**25.29**

(₹ in Lakhs)

Particulars	As at 1 April, 2020	Recognised in Profit and loss	Recognised in OCI	Adjustment on acquisition (see note 49)	As at 31 March, 2021
Deferred tax assets					
– Expenses allowed on payment basis	1.96	(1.96)	–	–	–
– Others	115.46	(115.46)	–	–	–
	117.42	**(117.42)**	**–**	**–**	**–**
Deferred tax liabilities					
– Depreciation	(185.07)	185.07	–	–	–
	(185.07)	**185.07**	**–**	**–**	**–**
	(67.65)	**67.65**	**–**	**–**	**–**

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(₹ in Lakhs)

Particulars	As at 1 April, 2019	Recognised in Profit and loss	Recognised in OCI	Adjustment on acquisition (see note 49)	As at 31 March, 2020
Deferred tax assets					
– Expenses allowed on payment basis	1.33	0.89	(0.26)	–	1.96
– Others	174.27	(58.81)	–	–	115.46
	175.60	**(57.92)**	**(0.26)**	**–**	**117.42**
Deferred tax liabilities					
– Depreciation	(111.67)	(73.40)	–	–	(185.07)
	(111.67)	**(73.40)**	**–**	**–**	**(185.07)**
	63.93	**(131.32)**	**(0.26)**	**–**	**(67.65)**

Note:

During the previous year, deferred tax assets have been transfer to deferred tax liabilites.

35 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Contingent liabilities		
Contingent liabilities not provided in respect of		
i. Letters of Credit (outstanding)	1,04,056.53	63,425.74
ii. Guarantees issued by bankers on behalf of the Group (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)	2,061.52	1,435.39
iii. Corporate guarantees given to Banks on behalf of subsidiary for purpose of financial assistance.	32,300.00	6,000.00
iv. Bill discounting with banks	7,116.55	9,590.98
v. a) Bond given to custom department by the group	5,350.00	4,950.00
b) Bond given to custom department under AEO	6,170.00	950.00
vi. Claims against the Company not acknowledged as debt		
a. Income tax	2,348.03	754.81
b. Sales tax	216.25	319.12
c. Goods and service tax	45.03	11.20
d. Excise custom duty and service tax	1,725.51	1,504.38
e. Other disputes	19.02	35.69
vii. Summary of amount paid under protest		
i. Sales tax	38.85	43.04
ii. Excise custom duty and service tax	162.06	162.06
iii. Goods and service tax	28.59	15.05
iv. Other disputes	–	4.16
	229.50	**224.31**

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

b. Contingent assets

The Group is eligible for various incentive schemes as notified by State Governments however due to uncertainties on the collection of amount the Group has not recognised incentive income of ₹ 652.00 lakhs.

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c. **Capital commitments:**

Commitments for acquisition of property, plant and equipment (net of advances)	3,349.93	2,777.12

d. During the year, the Group has availed Non Fund based LC Limits of ₹ 93,000 Lakh from various Banks to import raw material relating to manufacture of finished goods in LED TV Business which has been backed by 105% Bank Guarantee amounting to ₹ 97,000 Lakh.

e. The Group has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

f. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Group.

g. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

36 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 2021	As at 31 March 2020
Current assets:		
Financial assets		
Trade receivables	1,08,905.65	50,464.68
Inventories (excluding in transit)	60,343.90	38,847.05
Total current assets mortgaged as security	**1,69,249.55**	**89,311.73**
Non-current:		
Land (Freehold and leasehold)	1,154.36	911.92
Vehicles	267.94	530.47
Buildings	5,625.78	4,315.08
Plant and machinery	29,330.37	11,773.28
Other assets	–	32.60
Total non-currents assets mortgaged as security	**36,378.45**	**17,563.34**
Total assets mortgaged as security	**2,05,628.00**	**1,06,875.06**

37 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
– Principal amount	5,685.56	1,759.24
– interest due	0.06	2.34
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	219.75	365.78
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	1.07	–
d. the amount of interest accrued and remaining unpaid at the end of each accounting year	1.13	3.99
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	11.89	9.55

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38 Leases

A. Right-of-use assets

i. Carrying value of right of use assets

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	9,017.01	–
Recognised on adoption of Ind AS 116 - Leases	–	3,400.21
Additions during the year	5,150.14	6,247.84
	14,167.15	**9,648.05**
Depreciation during the year	906.47	543.85
Derecognised during the year	43.02	87.19
Closing balance	**13,217.65**	**9,017.01**

ii. Movement in lease liabilities during the year:

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Balance at the Beginning of the year	9,275.40	–
Recognition on account of adoption of Ind AS 116	–	3,400.21
Additions	5,150.14	6,247.84
	14,425.54	**9,648.05**
Finance cost accrued during the year	808.10	526.36
Payment of lease liabilities	(1,329.11)	(817.76)
Waiver of rent received during the year	(56.66)	–
Derecognised during the year	(3.63)	(81.25)
Balance as at end	**13,844.24**	**9,275.40**
b. Maturity analysis of lease liabilities:		
i. The table below provides details regarding the cash outflow of lease liabilities are as follows:		
Due within one year	1,962.04	1,217.79
Due later than one year and not later than five years	8,145.47	4,637.86
Due later than five years	15,215.68	13,398.24
Total	**25,323.19**	**19,253.89**

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
c. Expense recognised in profit or loss (see note 'a' below)		
Interest on lease liabilities	808.10	526.36
Depreciation on right of use assets	906.47	543.85
Expenses relating to short-term and low value leases	545.20	307.71
	2,259.77	**1,377.92**

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 expense recorded for short-term and low value leases is ₹ 545.20 lakhs (previous year ₹ 307.71 lakhs) for the year ended March 31, 2021, the same have been recorded under the head 'Other expenses' in the financial statements.

Notes to Consolidated Financial Statements

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iii. Rental income on assets given on sub-lease is ₹ Nil for the year ended 31 March, 2021. (₹ Nil for the year ended 31 March, 2020)

iv. Lease contracts entered by the Company majorly pertains for 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.

B. 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 2021	Year Ended 31 March 2020
a. As a lessee (expenses)		
Factory building, godown, office space, service centre and transit house	545.20	307.71
b. As a lessor (income)		
Factory building	12.33	9.76

39 Earnings per share

Particulars	Units	Year Ended 31 March 2021	Year Ended 31 March 2020
a. Basic			
Profit for the year	₹/Lakh	15,979.12	12,050.01
Weighted average number of equity shares	No's	5,81,29,275	5,70,83,795
Face value of per share	₹	2.00	2.00
Earnings per share - Basic	₹	27.49	21.11
b. Diluted			
Profit for the year	₹/Lakh	15,979.12	12,050.01
Diluted number of equity shares	No's	5,94,67,355	5,86,67,115
Face value of per share	₹	2.00	2.00
Earnings per share - Basic	₹	26.87	20.54
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:			
Weighted average number of equity shares used in the calculation of basic earnings per share	No's	5,81,29,275	5,70,83,795
Shares deemed to be issued for no consideration in respect of employee options on proportionate basis	No's	13,38,080	15,83,320
Weighted average number of equity shares used in the calculation of diluted earnings per share	**No's**	**5,94,67,355**	**5,86,67,115**

c. Pursuant to the approval of the shareholders accorded on March 7, 2021 vide postal ballot conducted by the Holding 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. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Consolidated Financial Results of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share

Notes to Consolidated Financial Statements

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40 Details of research and development expenditure

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
a. Revenue expenditure		
Cost of materials consumed	57.59	8.64
Employee benefits expense	272.85	323.96
Other expenses	30.74	46.90
Depreciation and amortisation expense	28.39	26.06
	389.56	**405.56**
b. Capital expenditure		
Purchase of property, plant and equipment	13.29	61.10
	13.29	**61.10**

41 Financial instruments

a. Capital Management

The Group objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt		
a. Borrowings		
–non current	7,996.05	1,101.75
–current	7,134.13	7,180.33
b. Current maturities of long term borrowings	479.20	385.18
	15,609.38	**8,667.26**
c. Cash and cash equivalents	6,384.13	9,565.64
d. Current investments	9,525.31	–
	15,909.44	**9,565.64**
Net debt	**(300.06)**	**(898.38)**
Total equity	**73,731.15**	**54,133.25**
Net debt to equity ratio	**(0.004)**	**(0.02)**

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 2021 and 31 March 2020.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

b. Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Financial asset		
a. Measured at amortised cost		
i. Other non current financial assets	1,234.39	912.00
ii. Trade receivables	1,08,905.65	51,511.93
iii. Cash and cash equivalents	6,384.13	9,565.64
iv. Other bank balances	504.11	450.31
v. Other financial assets	1,204.12	1,509.39
vi. Loans	250.00	–
b. Measured at fair value through Profit and Loss (FVTPL)		
i. Outstanding forward Marked to Market (MTM)	–	1,616.16
ii. Investments	9,525.31	–
Financial liabilities		
a. Measured at fair value through Profit and Loss (FVTPL)		
i. Outstanding forward Marked to Market (MTM)	187.97	4.31
b. Measured at amortised cost		
i. Borrowings		
– Non current	7,996.05	1,101.75
– Current	7,134.13	7,180.33
ii. Other non current financial liabilities	12,957.28	8,836.08
iii. Trade payables	1,70,965.27	93,905.95
iv. Other current financial liabilities	4,638.46	1,213.49

Notes:

a. There are no significant difference among the fair value of financial assets and liabilities classified as measured at cost or measured at fair value through profit and loss accordingly no separate disclosure of the same have been disclosed.

b. The derivative instruments with respect to forward contract are accounted for as fair value hedge.

c. The Group has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

c. Fair value hierarchy

The disclosure of the financial instruments measured at fair value. The details of instrument and valuation technique are as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at 31 March 2021	As at 31 March 2020
Financials Assets			
Foreign currency forward contracts			
– Financial assets	Level 2	–	1,616.16
– Financial liabilities	Level 2	187.97	4.31
Investments in mutual fund	Level 1	9,525.31	–

Valuation technique and key input

Discounted cash flow. Future cash flow estimated based on forward exchange rates (from observable forward exchange rates at the end of reporting period) and contract forward rates.

Level 1: Level 1 hierarchy 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

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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 2: 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 3: 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.

There are no transfers between levels 1 and 2 during the year.

Valuation processes

a. The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the audit committee (AC).

b. Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the Group's quarterly reporting periods.

d. Summary statement of consolidated financial risk management

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market, credit and liquidity risk.

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 are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group'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 policies and Group risk objective.

A. Credit Risk Management

Credit risk is managed on group basis. For deposits only high rated banks/institutions are accepted.

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 Group's exposure to customers is diversified and one Customer (Previous Year two customer) contributes to more than 10% of outstanding trade receivable ₹ 44,588.26 (Previous year ₹ 39,803.30 Lakh) as at 31 March, 2020.

Reconciliation of loss allowance provision

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	147.33	366.12
Additional provision made	76.13	114.91
Provision adjusted against the amount written off	78.68	333.70
Closing provision	**144.78**	**147.33**

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.

Notes to Consolidated Financial Statements

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B. Liquidity Risk

1 The Group determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

2 The Group manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

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 Group 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.

Maturities of financial liabilities

(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2021	₹ / Lakh	₹ / Lakh	₹ / Lakh	₹ / Lakh
Non Derivative				
Long term borrowings	–	7,996.05	7,996.05	7,996.05
Current maturities of long term borrowings	479.20	–	479.20	479.20
Short term borrowings	7,134.13	–	7,134.13	7,134.13
Trade Payables	1,70,965.27	–	1,70,965.27	1,70,965.27
Other financial liabilities				
– Current	4,159.26	–	4,159.26	4,159.26
– Non-current	–	12,957.28	12,957.28	12,957.28
As on 31.03.2020				
Non Derivative				
Long term borrowings	–	1,101.75	1,101.75	1,101.75
Current maturities of long term borrowings	385.18	–	385.18	385.18
Short term borrowings	7,180.33	–	7,180.33	7,180.33
Trade Payables	93,905.95	–	93,905.95	93,905.95
Other financials liabilities				
– Current	832.62	–	832.62	832.62
– Non-current	–	8,836.08	8,836.08	8,836.08

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)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2021				
Non derivative				
Other financial assets				
– Non current	–	1,234.39	1,234.39	1,234.39
– Current	1,204.12	–	1,204.12	1,204.12

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(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
Investments	9,525.31	–	9,525.31	9,525.31
Trade receivables	1,08,905.65	–	1,08,905.65	1,08,905.65
Cash and cash equivalents	6,384.13	–	6,384.13	6,384.13
Bank balances other than above	504.11	–	504.11	504.11
Loans	250.00	–	250.00	250.00
As on 31.03.2020				
Non derivative				
Other financial assets				
– Non current	–	912.00	912.00	912.00
– Current	1,509.00	–	1,509.00	1,509.00
Trade receivables	51,511.93	–	51,511.93	51,511.93
Cash and cash equivalents	9,565.64	–	9,565.64	9,565.64
Bank balances other than above	450.31	–	450.31	450.31
Loans	–	–	–	–

C. Market Risk Management

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 Group 's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Group 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 2021			As at 31 March 2020		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Borrowings	In USD / Lakh	–	–	–	3.53	3.53	–
	In ₹ / Lakh	–	–	–	266.07	266.07	–
Buyers' Credit	In USD / Lakh	96.93	–	96.93	62.08	–	62.08
	In ₹ / Lakh	7,125.27	–	7,125.27	4,680.33	–	4,680.33
Creditors	In USD / Lakh	1,257.16	781.82	531.09	829.25	593.41	235.84
	In CNY / Lakh	292.93	–	299.81	75.52	–	75.52
	In JPY / Lakh	1,029.21	–	1,029.21	–	–	–
	In ₹ / Lakh	97,221.89	57,467.15	43,473.56	61,389.90	44,718.37	16,671.53
Total liability	In USD / Lakh	1,354.09	781.82	628.02	894.86	596.94	1,491.80
	In CNY / Lakh	292.93	–	299.81	75.52	–	75.52
	In ₹ / Lakh	1,04,347.16	57,467.15	50,598.83	66,336.30	44,984.44	21,351.86
Debtors	In USD / Lakh	4.48	–	4.48	4.57	–	4.57
	In ₹ / Lakh	328.99	–	328.99	346.11	–	346.11
Total assets	In USD / Lakh	4.48	–	4.48	4.57	–	4.57
	In ₹ / Lakh	328.99	–	328.99	346.11	–	346.11

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for the year ended 31 March, 2021

A. **Foreign currency risk exposure**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	328.99	346.11
Financial liabilities	50,598.83	21,351.86
Net exposure (liabilities)	**50,269.84**	**21,005.75**

Note:

The above amount represents the gross exposure i.e. both hedged and unhedged.

B. **Sensitivity**

The details of the Group'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 2021	As at 31 March 2020
Impact on profit or loss for the year	502.70	210.06
Impact on total equity as at the end of reporting year	376.18	156.23

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables by the Group at the end of the reporting period. Impact on profit for the year are gross of tax.

II. **Cash flow and Interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at variable rate were mainly denominated in INR and USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a. **Interest rate risk exposure**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	15,328.73	7,180.33
Fixed rate borrowings	280.65	1,486.93
	15,609.38	**8,667.26**

b. **Sensitivity Analysis**

The details of the Group's sensitivity to a 1% increase and decrease in interest rate are as follows:

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Impact on profit or loss for the year	153.29	86.67
Impact on total equity as at the end of reporting year	114.70	64.46
Impact on profit for the year are gross of tax.		

III. **Price Risk**

The entity do not have any investment in quoted securities or other equity instruments except for unquoted investments in subsidiaries and jointly controlled entity. Thus, the Group is not exposed to any price risk.

Notes to Consolidated Financial Statements
for the year ended 31 March, 2021

42 Employee Stock Option Plan

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 and its subsidiary 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 500,000 equity shares and 300,000 Equity Shares respectively. Under Dixon ESOP 2018, the company has approved 3 grants vide its meeting held on 31st October, 2018 , 13th November, 2019 and 04th August, 2020 and under Dixon ESOP 2020 has approved one grant vide its meeting held on 30th October, 2020. 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)

	Dixon ESOP 2018			Dixon ESOP 2020
Particulars	**Grant I**	**Grant II**	**Grant III**	**Grant-1**
Date of Grant	Dixon ESOP 2018	Dixon ESOP 2020		
Date of Share holders Approval	31-Oct-18	13-Nov-19	31-Aug-18	30-Oct-20
Date of Board of Directors Approval / Committee	25-Jul-18	25-Jul-18	25-Jul-18	29-Sep-20
No. of Option	26-May-18	26-May-18	26-May-18	22-Aug-20
Method of settlement (Cash/Equity)	4,97,600	4,900	72,500	15,00,000
Vesting Period	Equity	Equity	Equity	Equity
	31-Oct-19	–	–	30-Oct-21
	31-Oct-20	13-Nov-20	04-Aug-21	30-Oct-22
	31-Oct-21	13-Nov-21		30-Oct-23
	–	–	–	30-Oct-24
Exercise Price (Per Share ₹)	–	–	–	30-Oct-25
	1,864.80	2,092.58	1,434.31	1,538.26
Exercise Period	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.	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 3 years.	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 2 years.	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.
Ext. of Exercise Period	None	None	None	None

(₹ in Lakhs)

Particulars	**As at 31 March 2020**	
	Share arising out of options	**Weighted average exercise price**
Outstanding at the beginning		
– Grant I	4,97,600	1,865
– Grant II	4,900	2,093
Forfeited and expired	2,500	1,865
Exercised	2,45,050	1,865
Outstanding at the end		
– Grant I	2,47,550	1,865
– Grant II	4,900	2,093
Exercisable at the end		
– Grant I	2,500	1,865
– Grant II	–	–

Notes to Consolidated Financial Statements

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(₹ in Lakhs)

Particulars	As at 31 March, 2021	
	Share arising out of options	Weighted average exercise price
Outstanding at the beginning		
Employee Stock Option Plan, 2018		
– Grant I	12,50,250	373
– Grant II	24,500	419
New option granted during the year		
Employee Stock Option Plan, 2018		
– Grant III	72,500	1,434
Employee Stock Option Plan, 2020		
– Grant I	15,00,000	1,538
Forfeited and expired		
Exercised employee stock option plan, 2018	81,250	373
Exercised employee stock option plan, 2020	2,65,850	1,538
Options Exercised during the year		
Employee Stock Option Plan, 2018		
– Grant I	7,06,400	373
– Grant II	12,250	419
Outstanding at the end		
Employee Stock Option Plan, 2018		
– Grant I	4,62,600	373
– Grant II	12,250	419
– Grant III	72,500	1,434
Employee Stock Option Plan, 2020		
– Grant I	12,34,150	1,538
Exercisable at the end		
– Grant III	–	–

* 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 Holding 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.

43 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 Grup's obligation is limited to the amounts contributed by it.

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Contribution to provident and other funds		
a. Contribution to provident fund	546.44	432.95
b. Contribution to employee state insurance	36.35	36.68
c. Contribution to national pension scheme	35.69	29.62
d. others	–	0.04
	618.48	**499.29**

Notes to Consolidated Financial Statements
for the year ended 31 March, 2021

b. Defined benefits plan

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The Group's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

Assumptions

a. The assumptions for Dixon Technologies (India) Limited and AIL Dixon Technologies Limited are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Future Salary Increase	6.00%	6.00%
Discount rate	6.76%	6.80%
Mortality rates	100% of IALM (2012-14)	100% of IALM (2006-08)
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

Amount recognised in Statement of Profit and Loss in respect of defined benefit plans are as follows

b. The assumptions for Padget Electronics Private Limited as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Future Salary Increase	5.50%	5.50%
Discount rate	6.76%	6.80%
Mortality rates	100% of IALM (2012-14)	100% of IALM (2006-08)
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

Amount recognised in Statement of Profit and Loss in respect of defined benefit plans are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Service Cost		
– Current service cost	161.05	119.92
– Past service cost including curtailment gains/losses	–	–
	161.05	**119.92**
Net interest cost	48.76	39.60
Expense recognised in statement of profit and loss	**209.81**	**159.52**
Other Comprehensive Income (OCI)		
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.03)	(0.03)
Actuarial (gains) / losses arising from changes in financial assumptions	4.05	56.40
Actuarial (gains) / losses arising from experience adjustments	3.08	4.59
Components of defined benefit costs recognised in other comprehensive income	**7.10**	**60.96**
	216.90	**220.48**

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

Notes:

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item 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.

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	As at 31 March 2021	As at 31 March 2020
Provision for gratuity		
– Non-Current	815.41	650.04
– Current	107.50	66.90
	922.91	**716.94**

Movements in the present value of the defined benefit obligation are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Liability at the beginning of the year	**716.94**	**508.82**
Interest Costs	67.21	39.61
Current Service Costs	138.27	119.92
Past Service Cost including curtailment Gains/ Losses	10.87	–
Benefits paid	(20.20)	(20.50)
Actuarial (Gain)/Loss on obligations due to change in Obligation	9.82	60.96
Add: addition in liability on acquisition of shares of joint venture (see note 50)	–	8.13
Liability at the end of the year	**922.91**	**716.94**

Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Impact of the change in discount rate		
Present Value of Obligation	922.91	716.94
Impact due to increase of 0.50 %	(45.38)	(33.53)
Impact due to decrease of 0.50 %	49.59	36.48
b. Impact of the change in salary increase		
Present Value of Obligation at the end of the period	922.91	716.94
Impact due to increase of 0.50 %	48.94	34.97
Impact due to decrease of 0.50 %	(43.71)	(32.38)

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.

Notes to Consolidated Financial Statements

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Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Financial year	Amount
Apr 2021- Mar 2022	104.97
Apr 2022- Mar 2023	45.92
Apr 2023- Mar 2024	49.88
Apr 2024- Mar 2025	27.90
Apr 2025- Mar 2026	25.56
Apr 2026- Mar 2027	57.65
Apr 2027 onwards	601.73

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- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b. Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

c. Actuarial assumptions for compensated absences is as under:

(₹ in Lakhs)

Assumptions	As at 31 March 2021	As at 31 March 2020
i. Discounting rate	6.00%	6.00%
ii. Future increase salary	6.76%	6.80%

44 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 Company as per the Act.

(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Gross amount required to be spent by the Group	238.54	177.75
i. Construction /acquisition of any assets		
a. Yet to be paid in cash		
b. In cash		
B. Amount spent by the company by		
a. Yet to be paid in cash	–	–

Notes to Consolidated Financial Statements

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(₹ in Lakhs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
b. In cash - Donation to		
i. Guru Vishram Vridh Ashram	32.00	–
ii. Jan Maadhyam	16.00	16.00
iii. Nav Abhiyan	21.00	21.00
iv. Purkal Youth Development Society	20.00	–
v. Donation of Ambulances to Noida Authority	45.71	–
vi. The Akshaya Patra Foundation	–	37.00
vii. Saint Hardayal Educational and Orphans Welfare Society	28.38	32.00
viii. *PM Cares fund pertains to FY 2019-20	50.00	–
ix. Delhi Langar Seva Soceity	–	23.61
	213.09	**129.61**
i. Sanitation Drive on Service Lane	8.03	3.07
	221.12	**132.68**

*The Group considering the pandemic of COVID-19 contributed ₹ 50 Lakhs towards the PM Cares Fund out of its CSR Budget for the FY 2019-20. Due to the Nationwide lockdown, the said payment was transferred to PM Cares Fund in the month of April, 2020.

The Group has unspent amount of ₹ 67.42 Lakhs for the financial year 2020-21 out of total CSR budget of ₹ 210.17 Lakhs

45 Segment Reporting

The chief operating decision maker (CODM) comprises of the Board of Directors ,Managing Director and Vice chairman & Chief financial officer which examines the Group'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 Group represented approximately ₹ 307,104.01 Lakhs (Previous year ₹ 218,381.95 Lakhs) individually more than 10% of the Company's total revenue.

46 The Holding Company had made an Initial Public Offer ('IPO') during the Quarter ended 30 September, 2017, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1,766 per share (including premium of ₹ 1,756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 6,000 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Company on 14 September, 2017 and the shares of the Company were listed on the stock exchanges on 18 September, 2017.

Details of utilization of IPO Proceeds are as follows :

(₹ in Lakhs)

Particulars	Object of the Issue as per Prospectus	Total Utilization Up to March 31, 2021	Amount Pending Utilization
Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company	2,200.00	2,200.00	–
Setting up a unit for manufacturing of LED TVs at the Tirupati (A.P)	758.00	758.00	–
Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility	796.00	796.00	–
Upgradation of the information technology infrastructure of the Company	941.00	941.00	–
General corporate purposes (see note 'b' below)	1,017.00	1,017.00	–
	5,712.00	**5,712.00**	**–**
IPO Expenses*	288.00	288.00	–
Total	**6,000.00**	**6,000.00**	

Notes to Consolidated Financial Statements

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47 Related parties

a. List of related parties

i. Key Managerial Personnel and their relatives

a.	Mr. Sunil Vachani	Chairman
b.	Mr. Atul B. Lall	Vice Chairman & Managing Director
c.	Mr. Saurabh Gupta	Chief financial officer
d.	Mr. Ashish Kumar	Company secretary , Legal & HR Head
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	Son of Chairman

b. Transactions outstanding with related parties

(₹ in Lakhs)

Particulars	KMP and their relatives		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
A. Transactions during the year				
Loan given to related party	**–**	**32.00**	**–**	**32.00**
Mr. Atul B. Lall	–	8.00	–	8.00
Mr. Saurabh Gupta	–	24.00	–	24.00
Loan repaid by the related party	**28.00**	**4.00**	**28.00**	**4.00**
Mr. Atul B. Lall	4.00	4.00	4.00	4.00
Mr. Saurabh Gupta	24.00	–	24.00	–
Director sitting fees	**13.15**	**8.65**	**13.15**	**8.65**
Mr. Manuji Zarabi	4.35	3.90	4.35	3.90
Ms. Poornima Shenoy	3.00	1.45	3.00	1.45
Mr. Manoj Maheshwari	3.20	2.30	3.20	2.30
Mr. Keng Tsung Kuo	1.85	1.00	1.85	1.00
Mr. Rakesh Mohan	0.75	–	0.75	–
Remuneration (including commission)*	**1,346.69**	**1,121.79**	**1,339.19**	**1,121.79**
Mr. Sunil Vachani	493.00	524.00	493.00	524.00
Mr. Atul B. Lall	616.95	474.29	616.95	474.29
Mr. Saurabh Gupta	128.92	98.60	128.92	98.60
Mr. Prithvi Vachani	10.01	9.90	10.01	9.90
Mr. Ashish Kumar	67.81	–	67.81	–
Mr. Manuji Zarabi	7.50	5.00	7.50	5.00
Ms. Poornima Shenoy	7.50	5.00	7.50	5.00
Mr. Manoj Maheshwari	7.50	5.00	7.50	5.00
Mr. Keng Tsung Kuo	7.50	–	–	–

* The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 3.30 lakhs and security premium amounting to ₹ 612.08 lakhs.

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(₹ in Lakhs)

Particulars	KMP and their relatives		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Outstanding balances				
Amount Receivables*	**164.73**	**57.87**	**164.73**	**57.87**
Mr. Saurabh Gupta	125.34	47.23	125.34	47.23
Mr. Prithvi Vachani	0.04	0.25	0.04	0.25
Mr. Ashish Kumar	39.35	–	39.35	–
Mr. Sunil Vachani	–	6.29	–	6.29
Mr. Atul B. Lall	–	4.10	–	4.10
Amount payable*	**7.16**	**0.85**	**7.16**	**0.85**
Mr. Sunil Vachani	0.45	–	0.45	–
Mr. Atul B. Lall	0.85	0.82	0.85	0.82
Mr. Manoj Maheshwari	1.48	–	1.48	–
Mr. Manuji Zarabi	1.94	–	1.94	–
Ms. Poornima Shenoy	1.48	–	1.48	–
Mr. Rakesh Mohan	0.69	–	0.69	–
Mr. Keng Tsung Kuo	0.27	–	0.27	–
Mr. Saurabh Gupta	–	0.03	–	0.03

48 Consequent to the disruption caused due to COVID-19, the Group has made an assessment as at March 31, 2021 of recoverability of the carrying values of its assets such as property, plant and equipment, intangible assets having indefinite useful life, inventory, trade receivables, and other current assets giving due consideration to the internal and external factors. Further, on account of continued spread of COVID-19 disease in the country, the Group has made timely and requisite changes in the business model which has resulted in consistent growth across the product segments during the year. The Group is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.

49 Composition of Group

The information about the composition of group at the end of reporting period is as follows:

Name of entity	Principal activity	Place of incorporation	Principal place of business	Proportion of ownership interest/ voting rights held by the group	
				Year Ended 31 March 2021	Year Ended 31 March 2020
A. Subsidiary Companies					
Dixon Global Private Limited	Trading	Noida, India	Noida, India	100%	100%
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
Dixon Electro Appliances Private Limited	Manufacturing	Noida, India	Noida, India	100%	100%
Dixon Electro Manufacturing Private Limited*	Manufacturing	Noida, India	Noida, India	100%	–
Dixon Technologies Solutions Private Limited*	Manufacturing	Noida, India	Noida, India	100%	–
B. Joint control Company					
AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh, India	50%	50%

Notes to Consolidated Financial Statements

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Operation details of jointly control Company

(₹ in Lakhs)

AIL Dixon Technologies Private Limited	As at 31 March 2021	As at 31 March 2020
Income	23,144.26	21,641.53
Expenses	22,583.31	21,195.65

(₹ in Lakhs)

AIL Dixon Technologies Private Limited	As at 31 March 2021	As at 31 March 2020
Assets	18,162.22	16,799.19
Liabilities	16,446.98	15,488.33
Contingent liabilities	–	–
Commitments (net of advance)	10.29	0.10

Note:

i. The operations are disclosed to the extent of the share of the Company

ii. During the year, 'Dixon Electro Manufacturing Private Limited' and 'Dixon Technologies Solutions Private Limited' have been incorporated, as wholly owned subsidiaries of the Company.

iii. During the previous year, the Group has invested ₹ 2,700 Lakhs to acquire remaining 50% shareholding (No. of shares 75,00,000) in its Joint Venture Company, Padget Electronics Private Limited . Consequent to this, Padget Electronic Private Limited has become wholly owned subsidiary of the Group. The Group has reognised Goodwill amounting to ₹ 816.65 lakhs on acquisition of Padget Electronic Private Limited.

50 Additional information as required under schedule III to the Companies Act, 2013 of enterprieses consolidated as subsidiarties/Joint Venue

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	%
A. Holding Company						
Dixon Technologies (India) Limited	70,232.58	91%	15,197.20	95%	(5.17)	98%
B. Subsidiary Companies						
Dixon Global Private Limited	1,017.29	1%	61.33	0%	–	0%
Padget Electronics Private Limited	4,439.64	6%	303.71	2%	(1.08)	21%
Dixon Electro Appliances Private Limited	0.76	0%	(0.12)	0%	–	0%
Dixon Electro Manufacturing Private Limited*	0.88	0%	(0.12)	0%	–	0%
Dixon Technologies Solutions Private Limited*	0.88	0%	(0.12)	0%	–	0%
C. Joint Venture						
AIL Dixon Technologies Private Limited	1,715.74	2%	403.88	3%	0.99	–19%
	77,407.78		**15,965.77**		**(5.26)**	
Adjustments in consolidation	(3,676.63)		13.35		(0.04)	
	73,731.15	**100%**	**15,979.12**	**100%**	**(5.30)**	**100%**

Notes to Consolidated Financial Statements

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51 Incentives from Andhra Pradesh Government

The Government of Andhra Pradesh vide Order No. GO(MS) No. 170 dated December 16, 2016 and GO(MS) No. 37 dated March 03, 2017 has announced certain fiscal incentives to the company for setting up industries in the notified Electronics Manufacturing Clusters (EMCs) of the State.

Further, the activities of the Holding Company fall under the scheme of Information Technology, Electronics & Communication (Promotions) department 2014-2020, based on the scheme and order passed the Company is eligible for 100% re-imbursement of the Stamp Duty, Transfer Duty and Registration Fee paid on sale/ lease deeds on the first transaction and 50% thereof on the second transaction, freight subsidy, transport subsidy interest subsidy etc

Movement in the Incentive recoverable from Andhra Pradesh Government is given below:"

(₹ in Lakhs)

Subsidy	Incentive	As at 31 March 2021
Stamp duty	100% of Stamp duty paid	78.58
Goods and Service tax ('SGST')	100% Net SGST paid for 5 years	181.20
Power	25% of cost Incurred, maximum to ₹ 200 lakhs within 5 years (Excluding MD and other charges)	179.24
Investment	20% of investment maximum of ₹ 1,000 lakhs	1,363.50
Freight	25% of cost incurred, maximum of ₹ 50 lakhs for a financial year for 5 years	193.18
Employee transportation	₹ 500 per employee per month maximum of ₹ 25 lakhs for a financial year for 3 years	113.00
Interest subsidyTerm loan (borrowings)	Interest rate 5% on term loan, maximum of ₹ 150 lakhs for 5 years	30.00
		2,138.69

The management expect that the amount will be collected, accordingly no provision is required in the financial statements. The income under the schemes have been recognised amounting to ₹ 252 lakhs and ₹ 78 lakhs in Dixon and AIL Dixon respectively till 30 June, 2019. Post 30 June, 2019, incentive income have not been recognised based on prudence.

52 "The Padget Elecronics Private Limited ('Padget'), a joint control Company has been engaged by Rstar Limited ("Rstar"), Goldex (HK) Technology Limited ("Goldex"), and Syntech (HK) Technology Limited ("Syntech") (Rstar, Goldex and Syntech collectively referred to as "Suppliers" and individually as "Supplier") to manufacture mobile phones under the brand Gionee pursuant to manufacturing agreement dated 30th March, 2016 entered into by the Padget with Rstar ("Manufacturing Agreement"). Pursuant to the Manufacturing Arrangement, the Padget has been importing Parts & Components directly from the Suppliers for the purpose of manufacturing the Products and the Padget is selling the manufactured Products to the distributors ("Distributors") appointed by the Suppliers in India.

As per the commercial arrangement between the Padget and the Suppliers, the liability and obligation to ensure that the Padget receive payment from the Distributors was on the Suppliers. The Distributors has not made the payment to the Padget as the Suppliers have not been able to provide requisite service support/sales support/market support to the Distributors. The Distributors claimed to have bear the cost of same and insisted that the amount so incurred by the Distributors must be adjusted against the amount payable to the Padget against purchase of Products. Since the Padget has not received payment from the Distributors, it has not been able to make payment to the Suppliers towards import of the materials during the financial year 2016-17, 2017-18 and 2018-19. "

a. Tri-party agreements have been entered among the Padget Electronics Private Limited (the subsidiary Company), supplier and distributors for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 33331.92 Lakhs. In this regard, the subsidiary company had filed application dated 3rd Jan'19 with The Reserve Bank of India ("RBI") on 17th Jan'19 for approval and approval was received dated 22nd Oct'2019. Based on the approval, in the financial year 2019-20, the subsidiary Company had set off Trade Receivables amounting to ₹ 30731.91 Lakhs and Trade payable amounting to ₹ 30731.91 Lakhs in the books of account. Balance ₹ 2600.01 Lakhs was adjusted by further transactions entered into after the filing of the application with RBI.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2021

b. Apart from above, the subsidiary Company had filed an application with Reserve Bank of India dated 16th March'2020 for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 13561.16 Lakhs. Based on the RBI application, the the subsidiary Company has set off the import payable amounting to ₹ 13435.10 Lakhs and trade receivables from distributors ₹ 13354.16 Lakhs & obsolete inventory of Import Vendors ₹ 80.94 Lakhs in the financial year 2019-20. The approval from RBI is still in process.

53 The Board of Directors of the Holding Company have recommended a final dividend of 50 % (₹ 1.00/- per Equity Share of ₹ 2/- each) for the financial year 2020-2021 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

54 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Company will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

55 There are no subsequent event observed after the reporting period which have material impact on the Company's operation.

56 Figures for the previous year have been regrouped / rearranged wherever necessary.

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: Delhi
Date: 27 May, 2021

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B. Lall
Vice Chairman & Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 27 May, 2021

Statement containing salient features Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 relating to Subsidiary & Joint ventures

(₹ in Lakhs unless otherwise stated)

S. No	Name of Subsidiary	Date since which subsidiary was acquired	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	OCI***	Total CI	Proposed Dividend	% of Shareholding
1	Dixon Global Private Limited	27-Oct-10	INR	100.00	917.29	9,720.22	8,702.93	-	18,067.85	87.16	25.83	61.33	-	61.33	-	100%
2	Padget Electronics Private Limited	12-Apr-19	INR	1,500.00	2,939.64	38,552.17	34,112.53	-	75,358.72	423.53	119.82	303.71	(1.08)	302.63	Nil	100%
3	Dixon Electro Appliances Private Limited	15-Jan-20	INR	1.00	(0.24)	1.00	0.24	-	-	(0.12)	-	(0.12)	-	(0.12)	-	100%
4	Dixon Electro Manufacturing Private Limited*	16-Mar-21	INR	1.00	(0.12)	1.00	0.12	-	-	(0.12)	-	(0.12)	-	(0.12)	-	100%
5	Dixon Technologies Solutions Private Limited*	16-Mar-21	INR	1.00	(0.12)	1.00	0.12	-	-	(0.12)	-	(0.12)	-	(0.12)	-	100%

*During the year, Dixon Electro Manufacturing Private Limited and Dixon Technologies Solutions Private Limited has been incorporated, as wholly owned subsidiary of the Company.

**Other Comprehensive Income

b) Jointly Controlled Entities:

(₹ in Lakhs unless otherwise stated)

S. No	Name of Joint Ventures	Date since which Joint Venture was acquired	Latest audited Balance Sheet Date	Numbers	Amount of Investment in Joint Venture	Extent of Holding% attributable	Description of how there is significant influence	Reason why the joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit or loss for the year: Considered in Consolidation	Profit or loss for the year: Not Considered in Consolidation
1	AIL Dixon Technologies Private Limited	08-Feb-17	31-Mar-21	95,00,000	950.00	50.00%	Note A	-	1,715.75	404.88	-

Note A: There is significant influence due to percentage holding of share capital.

The Notes are an integral part of the 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: Delhi
Date: 27 May, 2021

For and on behalf of the Board of Directors
Dixon Technologies (India) Limited

Sunil Vachani
Chairman

Saurabh Gupta
Chief Financial officer

Atul B. Lall
Vice Chairman & Managing Director

Ashish Kumar
Company Secretary

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2021

[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 Global Private Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIXON GLOBAL 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.

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, 2021**, 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, 2021** 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. 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, 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

Place: Ghaziabad
Date: 26-05-2021
UDIN: F008273C000378051

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 Global 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

Place: Ghaziabad
Date: 26-05-2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2021

[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.

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, 2021**, 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, 2021** 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. 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, regulations and guidelines.

We further report that during the audit period there were following specific events/actions having a major bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc:

- The Company confirmed appointment of Ms. Poornima Shenoy as Independent Director in Extra Ordinary General Meeting dated August 4th, 2020.

- The Company amended its Memorandum of Association by addition of Clauses to the Clause III (B) at Extra Ordinary General Meeting dated August 4th, 2020.

- The Company approved authorization for grant of Loan to its holding Company Dixon Technologies (India) Limited upto ₹ 200 Crores in the Extra-Ordinary General Meeting dated June 05th, 2020.

- The Company authorized borrowing and creation of hypothecation under Section 180(1)(a) and Section 180(1)(c) (including money already borrowed) upto ₹ 200 Crore (Rupees Two Hundred Crore only) or aggregate of its paid-up share capital, free reserves and securities premium, whichever is higher in the Extra-Ordinary General Meeting dated June 05th, 2020.

- The Company approved Inter-corporate loans, Investments, Guarantee or security and acquisition under Section 186 upto ₹ 200 Crores each respectively in the Extra-Ordinary General Meeting dated June 05th, 2020.

- The Company approved re-designation of Mr. Sunil Vachani as Whole-Time Director for a period of five years with effect from 4th October, 2019 in the Extra-Ordinary General Meeting dated June 05th, 2020.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M. No. F8273
PR. No. 1209

Place: Ghaziabad
Date: May 26th, 2021
UDIN: F008273C000378181

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

Place: Ghaziabad
Date: May 26th, 2021

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Dixon®

The brand behind brands

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