# Dixon Technologies (India) Limited

3rd September, 2024

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

**Dear Sir/Madam**

**Sub: Intimation with regard to 31st Annual General Meeting, Notice & Annual Report of the Company for the Financial Year 2023-24**

In furtherance to our intimation dated 30th August, 2024, we hereby inform that the 31st Annual General Meeting **("AGM")** of the Company is scheduled to be held on **Wednesday, 25th September, 2024, at 11:00 A.M. (IST).**

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Obligations"),** please find enclosed herewith copy of Annual Report for the Financial Year 2023-24 along with Notice of 31st AGM, dispatched to the shareholders of the Company on **Tuesday, 3rd September, 2024.**

Further, we wish to inform you that, pursuant to Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 19th September, 2024 to Wednesday, 25th September, 2024 (both days inclusive)** for taking record of the Members of the Company for the purpose of 30th AGM as per details given below:

| **Cut-off date for payment of Dividend and E-voting** | **Book Closure (both days inclusive)** | | **Purpose** | **Date of remote E-voting** |
|---|---|---|---|---|
| | **From** | **To** | | |
| 18th September, 2024 (Wednesday) | 19th September, 2024 (Thursday) | 25th September, 2024 (Wednesday) | a. For ascertaining shareholders who will be entitled to participate in the AGM through remote e-voting/ voting at the meeting.<br>b. For payment of Final dividend as may be declared at the AGM. | From 09:00 A.M. (IST) on 22nd September, 2024 (Sunday) to 05.00 P.M. (IST) on 24th September, 2024 (Tuesday) [both days inclusive]. |

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

Kindly take the aforesaid on your record and oblige.

Thanking you,

Yours faithfully,

For **DIXON TECHNOLOGIES (INDIA) LIMITED**

ASHISH KUMAR

Digitally signed by ASHISH KUMAR
DN: c=IN, o=Personal,
pseudonym=jcqsM7KfzvXNA7gOm2DePup8w1nzzwOX,
2.5.4.20=c6b9fb89ba168784e8a2db5bc04891221780cf62995
d2e27aabe5be3c41dd3c3, postalCode=201301, st=Uttar
Pradesh,
serialNumber=014453cec6270c29749dc7ef1e99c0a2d049f09
7770882635da197b6755b7c20, cn=ASHISH KUMAR
Date: 2024.09.03 20:33:26 +05'30'

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

**Encl: as above**

**Copy To:**

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

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

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

Date: 30th July, 2024

Dear Member,

We are pleased to invite you to attend the 31st Annual General Meeting of the Members of Dixon Technologies (India) Limited to be held on **Wednesday, 25th September, 2024 at 11:00 A.M. (IST)** through Video Conferencing/Other Audio-Visual Means **("VC/OAVM")** facility.

The Notice of the 31st 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 the key details / information regarding 31st Annual General Meeting for your ready reference and ease of participation.

| Sl. No. | Particulars | Details |
|---|---|---|
| 1. | Link for participation through VC/OAVM | https://emeetings.kfintech.com/ |
| 2. | Link for remote e-voting | https://evoting.kfintech.com/ |
| 3. | Helpline number for VC/OAVM participation and e-voting | Contact KFin Technologies Limited at 18003094001 or write to them at:-<br>einward.ris@kfintech.com<br>evoting@kfintech.com |
| 4. | Cut-off date for e-voting and Dividend | Wednesday, 18th September, 2024 |
| 5. | Time period for remote e-voting | From 09:00 A.M. (IST) on Sunday, 22nd September, 2024 to 05:00 P.M. (IST) on Tuesday, 24th September, 2024 [both days inclusive] |
| 6. | Registrar and Share Transfer Agent contact details | Ms. B. Swati Reddy, Manager<br>**[Unit: Dixon Technologies (India) Limited]**<br>KFin Technologies Limited,<br>Selenium Tower B, Plot No-31 & 32,<br>Financial District, Nanakramguda,<br>Serilingampally, Hyderabad Rangareddi,<br>Telangana -500032<br>E-mail: einward.ris@kfintech.com<br>Contact No.: 18003094001 |

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

**Very truly yours,**

Sd/-
**Ashish Kumar**
Chief Legal Counsel & Group Company Secretary

Dixon
The brand behind brands

**Dixon Technologies (India) Limited**

**CIN:** L32101UP1993PLC066581
**Regd. Office:** B-14 & 15, Phase-II, Noida-201305, (U.P.) India, Ph.:0120-4737200
**E-mail:** investorrelations@dixoninfo.com, **Website:** https://www.dixoninfo.com, Fax No. 0120-4737263

# NOTICE

**NOTICE** is hereby given that **THIRTY-FIRST (31st) ANNUAL GENERAL MEETING (the "AGM")** of the members of Dixon Technologies (India) Limited **(the "Company")** will be held as per below mentioned schedule:

**Day :** Wednesday
**Date :** 25th September, 2024
**Time :** 11:00 A.M. (IST)

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

## A. Ordinary Business(es)

### Item No. 1. Adoption of Financial Statements & Reports

To receive, consider and adopt:

(a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2024, together with the reports of the Auditors and Board of Directors thereon; and

(b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2024 and the report of the Auditors thereon.

### Item No. 2. Declaration of Dividend

To declare a final dividend of ₹ 5/- per equity share of face value of ₹ 2/- each for the Financial Year 2023-24.

### Item No. 3. Appointment of Mr. Atul B. Lall as a Director liable to retire by rotation

To appoint a Director in place of Mr. Atul B. Lall, Vice Chairman & Managing Director (DIN: 00781436), who retires by rotation and being eligible, offers himself for re-appointment.

## B. Special Business(es)

### Item No. 4. Ratification of Remuneration to be paid to M/s. Satija & Associates, Cost Accountants, Cost Auditors of the Company

Rationale: Refer the explanation given under Item no. 4 on page no. 13

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Satija & Associates, Cost Accountants (FRN NO. 006535), Cost Auditors of ₹ 5,00,000/- (Rupees Five Lakhs Only) per annum plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, approved by the Board of Directors on recommendation of the Audit Committee, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2025, be and is hereby ratified and approved.

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

### Item No. 5. To approve Material Related Party Transactions of Dixon Electro Appliances Private Limited

Rationale: Refer the explanation given under Item no. 5 on page no. 13

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time **("Listing Regulations")**, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Related Party Transactions Policy governing Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) falling within the definition of 'Related Party Transaction' under Regulation 2(1) (zc) of the Listing Regulations to be entered into by Dixon Electro Appliances Private Limited, Subsidiary and/or Joint Venture of the Company with its related parties as detailed in the explanatory statement to this Resolution on such material terms and conditions as mentioned therein and as may be mutually agreed between the parties, provided that the said contract(s)/ arrangement(s)/ agreement(s) / transaction(s) shall be carried out in the ordinary course of business of the Company and at arm's length basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Board and any other duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion, to delegate all or any of its powers conferred under this resolution to any Director of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company / Subsidiary in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed.

**RESOLVED FURTHER THAT** that all actions taken by the Board of the Company (including any Committee thereof) in connection with any matter referred to or contemplated in this Resolution, be approved, ratified and confirmed in all respects."

### Item No. 6. To approve Material Related Party Transactions of Padget Electronics Private Limited and IsmartU India Private Limited

Rationale: Refer the explanation given under Item no. 6 on page no. 13

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time **("Listing Regulations")**, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Related Party Transactions Policy governing Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) falling within the definition of 'Related Party Transaction' under Regulation 2(1) (zc) of the Listing Regulations to be entered into by Padget Electronics Private Limited, Wholly Owned Subsidiary of the Company and IsmartU India Private Limited, proposed subsidiary with related parties as detailed in the explanatory statement to this Resolution on such material terms and conditions as mentioned therein and as may be mutually agreed between the parties, provided that the said contract(s)/ arrangement(s)/ agreement(s) / transaction(s) shall be carried out in the ordinary course of business of the Company and at arm's length basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Board and any other duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion, to delegate all or any of its powers conferred under this resolution to any Director of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company / Subsidiary(ies) in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed.

**RESOLVED FURTHER THAT** that all actions taken by the Board of Directors of the Company (including any Committee thereof) in connection with any matter referred to or contemplated in this Resolution, be approved, ratified and confirmed in all respects."

### Item No. 7. Approval of enhancement of the limits of Inter-corporate loans, Investments, Guarantee or Security and acquisition.

Rationale: Refer the explanation given under Item no. 7 on page no. 24

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

"**RESOLVED THAT** in supersession to the special resolution passed earlier by the members at the 25th Annual General

Meeting held on 25th July, 2018 and pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals as may be required in that behalf, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to give any loans to any person or other bodies corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise the securities of any other body corporate in excess of the limits prescribed under Section 186 of the Act i.e. sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more upto an amount not exceeding ₹ 1,800 Crores apart from loan or guarantee is given or where a security has been provided by the Company to its wholly owned subsidiary company or a joint venture company, or acquisition is made by the Company, by way of subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise thereof."

## NOTES:-

1. The Ministry of Corporate Affairs **("MCA")**, and the Securities and Exchange Board of India **("SEBI")**, have allowed companies to conduct Annual General Meetings through video conference **("VC")**/ other audio-visual means **("OAVM")**, without the physical presence of Members and, therefore, pursuant to General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and 11/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 by the MCA **("MCA Circulars")** and SEBI/ HO/CFD/POD2/CIR/P/2023/120 dated 11th July, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued by the SEBI **("SEBI Circulars")** and in compliance with the provisions of the Companies Act, 2013 **("the Act")** and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**, the company is convening the 31st Annual General Meeting **("AGM")** through VC/OAVM Facility, which does not require physical presence of members at a common venue.

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

3. Company has engaged KFin Technologies Limited, Registrar and Transfer Agents (the "**Kfintech**"), to provide VC/OAVM facility for the AGM including remote e-voting facility 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 31ST 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. Institutional Members/ Corporate Members can also upload their Board resolutions/ power of attorney/ authority letter before the date of AGM.

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

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, Registers of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Companies, 2013 and all such documents referred to in the Notice and the accompanying explanatory Statement shall be available for inspection and the same can be accessed by sending a request to the Company at investorrelations@dixoninfo.com upto the conclusion of 31st AGM.

7. Details as required in sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 31st 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 19th September, 2024 to 25th September, 2024 for the purpose of payment of final dividend for the financial year ended on 31st March, 2024 and the Annual General Meeting. **Wednesday, 18th September, 2024** 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/ beneficial owners as on Wednesday, 18th September, 2024 (the **"Cut-off date"**). The Final dividend, as proposed, is ₹ 5/- 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 deduct taxes at source at the prescribed rates from the dividend paid to its members.

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

11. Members 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.

12. As per the Listing Regulations and pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where the dividend cannot be paid through electronic mode, the same will be paid through other permitted modes.

13. 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 to Kfintech 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.

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. The facility of participation at the AGM through VC/OAVM will be available for 2,000 members on a 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 31st 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. A Member's log-in to the VC/OAVM platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Hence the Attendance Slip is not annexed to this Notice.

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 30th August, 2024 the ("**Record Date**"). Any person who acquires shares of the Company and becomes Member of the Company after 30th August, 2024, being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date 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 31st AGM will also be available 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 KFintech at https://evoting.kfintech.com/.

19. SEBI has, vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021, mandated the furnishing of PAN, Address with PIN, email address, mobile number, bank account details, specimen signatures and nomination by holders of physical securities. The required forms for the same can be downloaded from the website of the Company and the website of RTA.

20. SEBI has vide its circular no. SEBI/HO/OIAE/2023/03391 dated 27th January, 2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July, 2023 advised all the listed entities to issue an intimation letter either by email or by SMS's to all the investors who holds the shares in physical form, creating awareness amongst the investors about the availability of Dispute resolution mechanism at the stock exchanges against the listed entities/RTA. The Company has already circulated such intimation letter to all the shareholders of the Company holding shares in physical form complying with the aforesaid provisions of the circular on 19th April, 2024.

21. SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated companies to issue securities in dematerialized form only, while processing service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting, consolidation of securities certificate, transmission and transposition. Members are accordingly advised to get their shares held in physical form dematerialized through a Depository Participant. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC compliant.

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

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

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

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

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

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

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

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

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

23. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal **("ODR Portal")** for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website at https://www.dixoninfo.com/#

    Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website mentioned above.

24. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the said details to the DP in case the shares are

held by them in dematerialised form and to Kfintech in case the shares are held in Physical form. As per SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated September 26, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/193 dated December 27, 2023 the last date for submission of 'choice of nomination' for demat accounts is June 30, 2024.

**25. PROCEDURE FOR REMOTE E-VOTING**

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

ii. In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers ("ESPs"), thereby facilitating seamless authentication and convenience of participating in e-voting process.

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

iv. **A) Commencement of remote e-voting - 09:00 A.M. (IST) on 22nd September, 2024 (Sunday)**

**B) End of remote e-voting - 05:00 P.M. (IST) on 24th September, 2024 (Tuesday)**

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 AGM.

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

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

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

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

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

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

**Details on Step 1 are mentioned below:**

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

<table>
<tr><th>Type of Shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in demat mode with NSDL</td><td>
1. User already registered for IDeAS facility:
<ul>
<li>Visit URL: https://eservices.nsdl.com</li>
<li>Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li>
<li>On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li>
<li>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.</li>
</ul>
2. User not registered for IDeAS e-Services
<ul>
<li>To register click on link : https://eservices.nsdl.com</li>
<li>Select “Register Online for IDeAS” or click at</li>
<li>https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</li>
<li>Proceed with completing the required fields.</li>
<li>Follow steps given in points 1</li>
</ul>
3. Alternatively by directly accessing the e-Voting website of NSDL
<ul>
<li>Open URL: https://www.evoting.nsdl.com/</li>
<li>Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li>
<li>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.</li>
<li>Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.</li>
<li>On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li>
</ul>
</td></tr>
<tr><td>Individual Shareholders holding securities in demat mode with CDSL</td><td>
1. Existing user who have opted for Easi / Easiest
<ul>
<li>Visit URL: https://web.cdslindia.com/myeasitoken/home/login or Click on the “Login” icon and opt for “My Easi New (Token)” (only applicable when using URL: www.cdslindia.com).</li>
<li>Login with your registered user id and password.</li>
<li>The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li>
<li>Click on e-Voting service provider name to cast your vote.</li>
</ul>
2. User not registered for Easi/Easiest
<ul>
<li>Option to register is available at https://web.cdslindia.com/myeasitoken/home/login</li>
<li>Proceed with completing the required fields.</li>
<li>Follow the steps given in point 1</li>
</ul>
Alternatively, by directly accessing the e-Voting website of CDSL:
<ul>
<li>Visit URL: www.cdslindia.com</li>
<li>Provide your demat Account Number and PAN No.</li>
<li>System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</li>
<li>After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</li>
</ul>
</td></tr>
</table>

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholder login through their demat accounts / Website of Depository Participant | • You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.<br>• 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.<br>• 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.: 022-48867000 or 18001020990 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43 |

**Details on Step 2 are mentioned below:**

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

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

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

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

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

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (09) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

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

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

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

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

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

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

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

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

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

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

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

**Details on Step 3 are mentioned below:**

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

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting.

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 at least 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 Sunday, 22nd September, 2024 (09:00 a.m.) upto Tuesday, 24th September, 2024 (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 Sunday, 22nd September, 2024 (09:00 a.m.) upto Tuesday, 24th September, 2024 (11.00 a.m.).

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

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 18th September, 2024 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the Cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

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

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

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

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

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

## RESULTS

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

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

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

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

Sd/-
**Ashish Kumar**
Chief Legal Counsel & Group Company Secretary
M.No.: F8355

Dated: 30th July, 2024
Address: B-14 & 15, Phase-II, Noida-201305

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

### Item No. 3

Mr. Atul B. Lall (DIN: 00781436), Vice Chairman & Managing Director of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment. Brief resume of Mr. Atul B. Lall, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding in the Company, the number of Meetings of the Board attended during the year, along with disclosure pertaining to his resignation from listed entities in the past three years, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are stated in **Annexure-A**, and are also provided in the Corporate Governance Report forming part of the Annual Report.

Except for Mr. Atul B. Lall and his relatives to the extent of their shareholding, if any, none of the Directors, Key Managerial Personnel(s) of the Company or their relatives are in any way, concerned or interested either financially or otherwise, in the said resolution.

The Board of Directors of your Company recommends that the Resolution under Item No. 3 be passed in the interest of your Company as Ordinary Resolution.

### Item No. 4

The Board of Directors of the Company at their meeting held on 15th May, 2024, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Satija & Associates, Cost Accountants (Firm Registration No. 006535) to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2025 at a remuneration of ₹ 5,00,000/- (Rupees Five Lakhs Only) plus applicable taxes and out of pocket expenses as applicable. 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 for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2025.

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

The Board of Directors of your Company recommends that the Resolution under Item No. 4 be passed in the interest of your Company as Ordinary Resolution.

### Item No. 5 & 6

The Securities and Exchange Board of India **('SEBI')**, vide its notification dated 9th November, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 **('Amendments')** introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('Listing Regulations')**. The aforesaid Amendments inter-alia included replacing of threshold i.e. 10% (ten per cent) of the listed entity's consolidated turnover, for determination of Material Related Party Transactions requiring Shareholders' prior approval with the threshold of lower of ₹ 1,000 crores (Rupees one thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, with effect from 1st April, 2022. Under the Listing Regulations, in addition to the approval and reporting for transactions by the Company with its own Related Party(ies), the scope extends to transactions by the Company with Related Party(ies) of any subsidiary(ies) of the Company or transactions by a subsidiary(ies) of the Company with its own Related Party(ies) or Related Party(ies) of the Company or Related Party(ies) of any subsidiary(ies) of the Company.

As per Regulation 23(4) of the Listing Regulations, all Material Related Party Transactions shall require prior approval of the shareholders, even if the transactions are in the ordinary course of business and at an arm's length basis. Given the nature of the Company's presence in multiple businesses, the Company works closely with its subsidiaries, joint ventures and associates to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length basis.

Amongst the 'Related Party Transactions' under Regulation 2(1)(zc)(i) of the Listing Regulations pertaining to a subsidiary of the Company as specified in the Explanatory statement, the said Related Party Transactions to be entered by the Subsidiary of the Company may exceed the threshold of Material Related Party Transactions within the meaning of Regulation 23(1) of the Listing Regulations i.e. ₹ 1,000 crores (Rupees one thousand crores) being the lower of ₹ 1,000 crores (Rupees one thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Members may please note that the Company and its subsidiaries have been undertaking such transactions of similar nature with related parties in the past, in the ordinary course of business and on arm's length basis after obtaining requisite approvals, including from the Audit Committee of the Company, as per the requirements of the applicable law. The maximum annual value of the proposed transactions to be entered into by the Subsidiary of the Company with its related party is estimated based on the Company's current transactions with them and future business projections.

## Item No. 5

### Background, details and benefits of the transaction:

Dixon Electro Appliances Private Limited **("DEAPL")** is a Subsidiary and Joint Venture Company of Dixon Technologies (India) Limited **("Dixon")** wherein Dixon holds 51% equity stake in DEAPL and 49% is held by Beetel Teletech Limited, a Bharti Airtel Group Company, being Subsidiary of Bharti Airtel Services Limited. DEAPL is primarily engaged in the business of manufacturing of telecom and networking products like GPON's, ONT's, modems, routers, set top boxes, IOT devices, 5G Fixed Wireless Access (FWA), Outdoor and Indoor units, Access Points, Internet Set top boxes, etc.

Bharti Airtel is a global communications solutions provider with over 500 million customers in 17 countries across South Asia and Africa. Bharti Airtel ranks amongst the top three mobile operators globally and its networks cover over two billion people. Airtel is India's largest integrated communications solutions provider and the second largest mobile operator in Africa. Bharti Airtel's retail portfolio includes high-speed 4G/5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, Bharti Airtel offers a gamut of solutions that includes secure connectivity, cloud and data center services, cyber security, IoT, Ad Tech and cloud-based communication. Bharti Airtel Limited is a related party of DEAPL pursuant to IND AS 24 as an entity having significant influence on DEAPL.

As per their business arrangements, Bharti Airtel Limited requires Set top boxes and GPONs for providing services to its customers, which is supplied by DEAPL at arm's length basis and in the ordinary course of business.

DEAPL and Bharti Airtel Limited enters into aforesaid transactions which not only helps smoothen business operations of the companies, inter-se, but also, ensures consistent flow of desired quality and quantity of Set Top Boxes and GPONs between them.

The said transactions with Bharti Airtel Limited would support DEAPL's own ecosystem of Telecom Products in line with Government's policy of 'Make in India' and add capabilities for its business. It would also assist in furthering business opportunities and synergy(ies) for Dixon, DEAPL and Bharti Airtel Limited. With Bharti Airtel's extensive experience in Telecom domain and DEAPL's large scale manufacturing capabilities, the proposed arrangement would enable combination of each other's strengths to develop and manufacture efficient networking and telecom equipments and therefore, approval of the shareholders of the Company is sought for undertaking transactions in the nature of sale & purchase of Telecom equipments, electronic appliances etc., for keeping the said transactions ongoing. Further, the proposed Related Party Transactions ("**RPTs**") will be in the best interests of the Company on a consolidated level and its Members.

### Approval of the Audit Committee:

The Audit Committee has, on the basis of relevant details provided by the management, as required by the law, at its meeting held on 29th March, 2024, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be in the ordinary course of business of the Company and at arm's length basis

**The details of the summary of the Information as required under SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated 22nd November, 2021 placed before the Audit Committee for their approval is as under:**

| S. No. | Particulars | Details |
|---|---|---|
| 1. | Name of Subsidiary Company | Dixon Electro Appliances Private Limited ("**DEAPL**") |
| 2. | Name of the Related Party and its relationship with the Subsidiary Company including nature of its concern or interest (financial of otherwise) | Bharti Airtel Limited ("**BAL**")<br>Bharti Airtel Limited and Dixon Electro Appliances Private Limited falls under the purview of Related party to DEAPL as per the IND-As and SEBI Listing Regulations. |
| 3. | Type/ Nature, material terms and particulars of the proposed transactions | Sale & Purchase of Telecom products, electronic appliances and Related Spare Parts & Components for the transactions of DEAPL with BAL including transfer of any resources, services or obligations to meet the business objectives/ requirements. |
| 4. | Tenure of proposed transaction | Ongoing |
| 5. | Value of Proposed transaction | Not exceeding ₹ 2,500 Crores p.a. |
| 6 | Percentage of listed company annual consolidated turnover, for immediately preceding financial year, represented by value of the proposed transaction. | 14.13% |
| 7 | Percentage of transaction, basis Subsidiary's annual turnover on standalone basis | 365% |
| 8 | Justification as to why the RPT entered into by the Subsidiary is in its interest | Please refer Background, details and benefits of the Transaction detailed above. |
| 9. | Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship | Pursuant to Regulation 2(zb) read with Section 2(76)(ix) of the Act and Rule made thereunder, all the Directors other than Independent Directors and Key Managerial Personnel of the Company of the Company or their relatives shall be deemed to be related party to DEAPL. However, none of the Directors of the Company are interested in the proposed transactions. |

Considering the quantum of transactions, approval of the Members is sought as per the requirements of Regulation 23 of the Listing Regulations, for the following specific Material Related Party Transactions, details of which are mentioned herein in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated 22nd November, 2021:

**Details of the Material Related Party Transactions pertaining to a Subsidiary of the Company:**

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | **Name of the Subsidiary** | **Name of the Related Party (ies)** | **Nature of Relationship** |
| 1. | Name of the related party and its relationship with the Subsidiary Company, including nature of its concern or interest (financial or otherwise) | Dixon Electro Appliances Private Limited ("**DEAPL**") | Bharti Airtel Limited **("BAL")** | Related Party as per Indian Accounting Standards and SEBI Listing Regulations. |
| 2. | Type, nature, material terms and particulars of the contract or arrangements | | | |
| | Sale & Purchase of Telecom products, electronic appliances and Related Spare Parts & Components for the transactions of DEAPL with BAL including transfer of any resources, services or obligations to meet the business objectives/ requirements. | | | |
| 3. | Monetary value of the transaction | Not exceeding ₹ 2,500 Crores p.a. in the aggregate | | |
| 4. | Any advance paid or received for the contract or arrangement, if any | Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business. | | |
| 5. | Tenure | Ongoing | | |

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | Name of the Subsidiary | Name of the Related Party (ies) | Nature of Relationship |
| 6. | Justification as to why the proposed transaction is in the interest of the Company | Please refer Background, details and benefits of the Transaction. | | |
| 7. | Whether the transaction relates to any loans/ inter-corporate deposits, advances or investments made or given by the Listed entity or its subsidiary | Not Applicable | | |
| 8. | Details of valuation or other external party report (if any) | None | | |
| 9. | Percentage of Company's annual consolidated turnover for the immediately preceding financial year, that is represented by value of proposed transaction (and for RPT involving a Subsidiary, such percentage calculated on the basis of Subsidiary's annual turnover on a Standalone basis shall be additionally provided) | ₹ 2,500 Crores constitute 14.13% of the annual consolidated turnover of the Company for the FY 2023-24.<br><br>Moreover, ₹ 2,500 constitute 365% of the annual turnover of DEAPL on standalone basis for the FY 2023-24. | | |
| 10. | Any other information | Nil | | |

## Item No. 6:

**A. Background, details and benefits of the transaction of Padget Electronics Private Limited with IsmartU India Private Limited (Prospective Subsidiary of the Company):**

Padget Electronics Private Limited ("**PEPL**") is a Wholly Owned Subsidiary of Dixon Technologies (India) Limited ("**Dixon**") wherein Dixon holds 100% equity stake. 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 and manufacturing of IT Hardware products such as Laptops as well. PEPL currently manufactures feature phones, smart phones, PCBA for mobiles with a backward integration framework.

IsmartU India Private Limited ("**IIPL**") is a private limited company engaged in the business of manufacturing and assembly, sale, distribution, import and export of mobile phones, tablets, electronic devices, and other components of mobile and/or electronic devices. IIPL is a prospective subsidiary company of Dixon. As informed by the Company through its announcement made to the stock exchanges on 08th April, 2024, subject to the satisfactory completion of the condition precedents, Dixon proposes to acquire 50.10% share capital of IIPL and therefore once Dixon acquires the proposed stake in IIPL, it will become a subsidiary company of Dixon.

As per the business arrangements, it is proposed that IIPL will take manufacturing services for manufacturing of mobile phones and other electronic products from PEPL to service its customers. The proposed transaction aims to avail the manufacturing expertise of PEPL considering the manufacturing prowess, technology and infrastructure PEPL owns to service its customers across the globe. Furthermore, PEPL is also one of beneficiaries of the Production Linked Incentive ("PLI") scheme of the Government, which will also enable the Parties to provide the products at competitive terms to attract global customers for manufacturing in India and also service the export markets from India. Furthermore, in the manufacturing process, PEPL will avail job work services from IIPL for component mounting on the PCBs to utilize IIPL's capacity in place for SMT and thereby saving additional capex thereon. The proposed transactions will be at arm's length basis and in the ordinary course of business.

### Approval of the Audit Committee:

The Audit Committee has, on the basis of relevant details provided by the management, as required by the law, at its meeting held on 30th July, 2024, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be in the ordinary course of business of the Company and at arm's length basis.

**The details of the summary of the Information as required under SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated 22nd November, 2021 placed before the Audit Committee for their approval is as under:**

| S.No. | Particulars | Details |
|---|---|---|
| 1 | Name of the Subsidiary Company | Padget Electronics Private Limited ("**PEPL**") |
| 2 | Name of the Related Party and its relationship with the Subsidiary Company including nature of its concern or interest (financial of otherwise) | IsmartU India Private Limited ("**IIPL**") [Prospective Subsidiary of Dixon Technologies (India) Limited]<br>IIPL and PEPL falls under the purview of Related party as per the Ind-As and SEBI Listing Regulations. |
| 3 | Type, Material terms and particulars of the proposed transactions | a) Sale & Purchase of Goods;<br>b) Purchase of Fixed Assets and;<br>c) Availment and rendering of services to meet the business objectives/ requirements. |
| 4. | Tenure of proposed transaction | Ongoing |
| 5. | Value of Proposed transactions | a) Not exceeding ₹ 12,000 Crores per annum<br>b) Not exceeding ₹ 100 Crores per annum<br>c) Not exceeding ₹ 400 Crores per annum |
| 6 | Percentage of the listed entity annual consolidated turnover for the immediately preceding financial year represented by value of proposed transaction. | a) 67.83%<br>b) 0.56%<br>c) 2.26% |
| 7 | Percentage of transaction, basis Subsidiary's annual turnover on standalone basis for immediately preceding financial year | a) 123.43%<br>b) 1.02%<br>c) 4.11% |
| 8 | Justification as to why the RPT entered into by the Subsidiary is in its interest | As specified in the 'Background details and benefits of the transactions' |
| 9 | Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship | None of the Directors of the Company are interested in the proposed transactions. |

Considering the quantum of transactions, approval of the Members is sought as per the requirements of Regulation 23 of the Listing Regulations, for the following specific Material Related Party Transactions, details of which are mentioned herein in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated 22nd November, 2021:

**Details of the Material Related Party Transactions pertaining to a Subsidiary of the Company:**

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | Name of the Subsidiary | Name of the Related Party (ies) | Nature of Relationship |
| 1 | Name of the related party and its relationship with the Subsidiary Company, including nature of its concern or interest (financial or otherwise) | Padget Electronics Private Limited **("PEPL")** | IsmartU India Private Limited **("IIPL")** | Related Party as per Indian Accounting Standards (IND-As) and SEBI Listing Regulations. |
| 2 | Type, nature, material terms and particulars of the contract or arrangements<br>a) Sale & Purchase of goods;<br>b) Purchase of Fixed Assets; and<br>c) Availing and rendering of Services | | | |
| 3. | Monetary value of the transaction(s) | a) Not exceeding ₹ 12,000 Crores per annum<br>b) Not exceeding ₹ 100 Crores per annum<br>c) Not exceeding ₹ 400 Crores per annum | | |
| 4 | Any advance paid or received for the contract or arrangement, if any | Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business. | | |

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | **Name of the Subsidiary** | **Name of the Related Party (ies)** | **Nature of Relationship** |
| 5 | Tenure | Ongoing | | |
| 6 | Justification as to why the proposed transaction is in the interest of the Company | As specified in the 'Background details and benefits of the transactions' | | |
| 7 | Whether the transaction relates to any loans/ inter-corporate deposits, advances or investments made or given by the Listed entity or its subsidiary | Not Applicable | | |
| 8 | Details of valuation or other external party report (if any) | None | | |
| 9 | Percentage of Company's annual consolidated turnover for the immediately preceding financial year, that is represented by value of proposed transaction (and for RPT involving a Subsidiary, such percentage calculated on the basis of Subsidiary's annual turnover on a Standalone basis shall be additionally provided) | a) ₹ 12,000 Crores constitute 67.83% of the annual consolidated turnover of the Company for the FY 2023-24.<br>b) ₹ 100 Crores constitute 0.56% of the annual consolidated turnover of the Company for the FY 2023-24.<br>c) ₹ 400 Crores constitute 2.26 % of the annual consolidated turnover of the Company for the FY 2023-24. | | |
| | | **Name of the Subsidiary Company** | **Nature of Transaction(s)** | **Value of proposed transaction as a % of the annual turnover of Subsidiary on a Standalone basis** |
| | | Padget Electronics Private Limited | Sale & Purchase of goods | 123.43% |
| | | | Purchase of Fixed Assets | 1.02% |
| | | | Availing and rendering of Services | 4.11% |
| 10. | Any other information | Nil | | |

The Members are also informed that the above mentioned related party transaction between PEPL and IIPL is prospective in nature, i.e. subject to IIPL becoming Subsidiary of Dixon Technologies (India) Limited, therefore the Company is seeking shareholder's approval in advance so that upon completion of the proposed acquisition of IIPL, the business transactions between PEPL and IIPL are pre-approved by the shareholders.

**B. Background, details and benefits of the transaction of Padget Electronics Private Limited with Tecno Mobile Limited**

Padget Electronics Private Limited ("PEPL") is a Wholly Owned Subsidiary of Dixon Technologies (India) Limited ("Dixon") wherein Dixon holds 100% equity stake. 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 and manufacturing of IT Hardware products such as Laptops. PEPL currently manufactures feature phones, smart phones, PCBA for mobiles with a backward integration framework.

Tecno Mobile Limited ("Tecno") is a Company established in 2006 in Hong Kong, which is the first mobile phone brand of Transsion Holdings, a high-tech enterprise that integrates research, development, manufacturing, sales and services of mobile communications products. Tecno is a related party of IsmartU India Private Limited ("IIPL"), prospective subsidiary of Dixon, as per as per Indian Accounting Standards (IND- As) and SEBI Listing Regulations.

As per the proposed business arrangements, IIPL will avail manufacturing services from PEPL for manufacturing of mobile phones, wherein the raw material/ components for such manufacturing will be procured from Tecno, being the designated supplier of IIPL. The proposed arrangement shall ensure smooth business operations and consistent supply of desired quality and quantity of raw material/components.

**Approval of the Audit Committee:**

The Audit Committee has, on the basis of relevant details provided by the management, as required by the law, at its meeting held on 30th July, 2024, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be in the ordinary course of business of the Company and at a price which is beneficial to the interest of the Company.

| S.No. | Particulars | Details |
|---|---|---|
| 1 | Name of the Subsidiary Company | Padget Electronics Private Limited (“**PEPL**”) |
| 2 | Name of the Related Party and its relationship with the Subsidiary Company including nature of its concern or interest (financial of otherwise) | Tecno Mobile Limited (“Tecno”)<br>Tecno is the related party of IsmartU India Private Limited (“**IIPL**”) prospective subsidiary of Dixon Technologies (India) Limited (“**Dixon**”).<br>PEPL is the Wholly Owned Subsidiary of Dixon. |
| 3 | Type, Material terms and particulars of the proposed transactions | Purchase of raw material/ components for manufacturing of mobile phones. |
| 4. | Tenure of proposed transaction | Ongoing |
| 5. | Value of Proposed transactions | Not exceeding ₹ 7,000 Crores per annum |
| 6 | Percentage of the listed entity annual consolidated turnover for the immediately preceding financial year represented by value of proposed transaction. | 39.57% |
| 7 | Percentage of transaction, basis Subsidiary's annual turnover on standalone basis for immediately preceding financial year | 72% |
| 8 | Justification as to why the RPT entered into by the Subsidiary is in its interest | As specified in the ‘Background details and benefits of the transactions’ |
| 9 | Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship | None of the Directors of the Company are interested in the proposed transactions. |

Considering the quantum of transactions, approval of the Members is sought as per the requirements of Regulation 23 of the Listing Regulations, for the following specific Material Related Party Transactions, details of which are mentioned herein in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated 22nd September, 2021:

**Details of the Material Related Party Transactions pertaining to a Subsidiary of the Company:**

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | Name of the Subsidiary | Name of the Related Party (ies) | Nature of Relationship |
| 1 | Name of the related party and its relationship with the Subsidiary Company, including nature of its concern or interest (financial or otherwise) | Padget Electronics Private Limited (“**PEPL**”) | Tecno Mobile Limited (“**Tecno**”) | Tecno is the related party of IsmartU India Private Limited (“IIPL”) prospective subsidiary of Dixon Technologies (India) Limited (“**Dixon**”).<br>PEPL is the Wholly Owned Subsidiary of Dixon Technologies (India) Limited. |
| 2 | Type, nature, material terms and particulars of the contract or arrangements<br>Purchase of raw material/ components for manufacturing of mobile phones. | | | |
| 3. | Monetary value of the transaction(s) | Not exceeding ₹ 7,000 Crores per annum | | |
| 4 | Any advance paid or received for the contract or arrangement, if any | Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business. | | |
| 5 | Tenure | Ongoing | | |
| 6 | Justification as to why the proposed transaction is in the interest of the Company | As specified in the **‘Background details and benefits of the transactions’** | | |

<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">Particulars</th><th colspan="3">Disclosures</th></tr>
<tr><th>Name of the Subsidiary</th><th>Name of the Related Party (ies)</th><th>Nature of Relationship</th></tr>
<tr><td>7</td><td>Whether the transaction relates to any loans/ inter-corporate deposits, advances or investments made or given by the Listed entity or its subsidiary</td><td colspan="3">Not Applicable</td></tr>
<tr><td>8</td><td>Details of valuation or other external party report (if any)</td><td colspan="3">None</td></tr>
<tr><td>9</td><td>Percentage of Company's annual consolidated turnover for the immediately preceding financial year, that is represented by value of proposed transaction (and for RPT involving a Subsidiary, such percentage calculated on the basis of Subsidiary's annual turnover on a Standalone basis shall be additionally provided)</td><td colspan="3">₹ 7,000 Crores constitute 39.57% of the annual consolidated turnover of the Company for the FY 2023-24.<br><table><tr><th>Name of the Subsidiary Company</th><th>Nature of Transaction(s)</th><th>Value of proposed transaction as a % of the annual turnover of Subsidiary on a Standalone basis</th></tr><tr><td>Padget Electronics Private Limited</td><td>Purchase of raw material/ components for manufacturing of mobile phones.</td><td>72%</td></tr></table></td></tr>
<tr><td>10.</td><td>Any other information</td><td colspan="3">Nil</td></tr>
</table>

The Members are also informed that the above mentioned related party transaction between PEPL and Tecno is prospective in nature, i.e. subject to IIPL becoming Subsidiary of Dixon Technologies (India) Limited, therefore the Company is seeking shareholder's approval in advance so that upon completion of the proposed acquisition of IIPL, the business transactions between PEPL and Tecno are pre-approved by the shareholders.

**C. Background, details and benefits of the transaction(s) of IsmartU India Private Limited (Prospective Subsidiary of the Company) and S Mobile Devices Private Limited and G-Mobile Services Private Limited:**

IsmartU India Private Limited ("IIPL") is a private limited company engaged in the business of manufacturing and assembly, sale, distribution, import and export of mobile phones, tablets, electronic devices, and other components of mobile and/or electronic devices. IIPL is a prospective subsidiary company of Dixon. As informed by the Company through its announcement made to the stock exchanges on 08th April, 2024, subject to the satisfactory completion of the condition precedents, Dixon proposes to acquire 50.10% share capital of IIPL and therefore once Dixon acquires the proposed stake in IIPL, it will become a subsidiary company of Dixon. Post completion of the proposed acquisition of 50.10% shareholding of IIPL by Dixon, IIPL will be held by Dixon by aforesaid percentage of shares while remaining shareholding shall continue to be held by Ismartu Singapore Pte Limited ("Ismartu"). Accordingly, upon completion of proposed acquisition, IIPL shall form part of group companies of Dixon Group as well as group companies of Ismartu.

S Mobile Devices Private Limited ("SMDPL") is a Company registered in 2012 under Companies Act, 1956 is engaged in the Whole Sale Trading & Distribution of mobile handset and mobile accessories in the brand of "Itel". SMDPL also engaged in providing after sale services of mobile handsets in the brand of "Caricare". G-Mobile Devices Private Limited ("GMDPL") is a Company registered under Companies Act, 2013 is engaged in the Whole Sale Trading & Distribution of various mobile handset brands viz. Tecno and Infinix. GMDPL is also engaged in the wholesale distribution of mobile accessories in the brand of "Oraimo".

Both SMDPL and GMDPL are group companies of Ismartu and hence covered under definition of related parties of IIPL pursuant to Indian Accounting Standards and SEBI Regulations and are one of the customers of IIPL who take manufacturing services for their products from IIPL. The proposed transaction will assist in furthering business opportunities and synergy(ies) for IIPL.

IIPL will take manufacturing services for manufacturing of mobile phones and other electronic products from PEPL to service its customers including S Mobile and G Mobile. The finished products manufactured by PEPL will thereafter be sold by IIPL to its customers i.e. S Mobile and G Mobile at a price which will be at arm's length basis and the said transactions will be in the ordinary course of business. Since the aforesaid transactions between IIPL, S Mobile and G Mobile is likely to exceed ₹ 1,000 Crores or 10% of the consolidated turnover of Dixon Technologies (India) Limited, approval of the shareholders of the Company is sought.

### Approval of the Audit Committee:

The Audit Committee has, on the basis of relevant details provided by the management as required by the law, at its meeting held on 30th July, 2024, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be in the ordinary course of business of the Company.

**The details of the summary of the Information as required under SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated 22nd November, 2021 placed before the Audit Committee for their approval is as under:**

| S.No. | Particulars | Details |
|---|---|---|
| 1 | Name of the Subsidiary Company | IsmartU India Private Limited ("**IIPL**") [Prospective Subsidiary of Dixon Technologies (India) Limited] |
| 2 | Name of the Related Party and its relationship with the Subsidiary Company including nature of its concern or interest (financial of otherwise) | S Mobile Devices Private Limited ("**S Mobile**") and G-Mobile Devices Private Limited ("**G Mobile**").<br>IIPL, S Mobile and G Mobile falls under the purview of Related party as per the Ind-As and SEBI Listing Regulations. |
| 3 | Type, Material terms and particulars of the proposed transactions | a) Sale of Finished Goods;<br>b) Leasing of property of any kind. |
| 4 | Tenure of proposed transaction | Ongoing |
| 5 | Value of Proposed transactions | a) Not exceeding ₹ 4,000 Crores per annum for S Mobile and not Exceeding ₹ 12,000 Crores per annum for G Mobile.<br>b) Not exceeding ₹ 5 Crores per annum per entity for S Mobile. |
| 6 | Percentage of the listed entity annual consolidated turnover for the immediately preceding financial year represented by value of proposed transaction | a) 22.61%- S Mobile & 67.83%- G Mobile<br>b) 0.03%- S Mobile |
| 7 | Percentage of transaction, basis Subsidiary's annual turnover on standalone basis for immediately preceding financial year | a) 48.38% & 145.15%<br>b) 0.06% |
| 8 | Justification as to why the RPT entered into by the Subsidiary is in its interest | As specified in the '**Background details and benefits of the transactions**' |
| 9 | Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship | None of the Directors of the Company are interested in the proposed transactions. |

Considering the quantum of transactions, approval of the Members is sought as per the requirements of Regulation 23 of the Listing Regulations, for the following specific Material Related Party Transactions, details of which are mentioned herein in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated 22nd November, 2021:

**Details of the Material Related Party Transactions pertaining to a Subsidiary of the Company:**

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | Name of the Subsidiary | Name of the Related Party (ies) | Nature of Relationship |
| 1 | Name of the related party and its relationship with the Subsidiary Company, including nature of its concern or interest (financial or otherwise) | IsmartU India Private Limited ("IIPL") | S Mobile Devices Private Limited ("S Mobile") and G-Mobile Services Private Limited ("G Mobile") | Related Party as per Indian Accounting Standards (IND-As) and SEBI Listing Regulations. |

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | **Name of the Subsidiary** | **Name of the Related Party (ies)** | **Nature of Relationship** |
| 2 | Type, nature, material terms and particulars of the contract or arrangements<br>a) Sale of Finished goods to S Mobile and G Mobile<br>b) Leasing of property of any kind to S Mobile | | | |
| 3 | Monetary value of the transaction(s) | a) Not exceeding ₹ 4,000 Crores per annum to S Mobile and Not Exceeding ₹ 12,000 Crores per annum to G Mobile<br>b) Not exceeding ₹ 5 Crores per annum for S Mobile | | |
| 4 | Any advance paid or received for the contract or arrangement, if any | Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business. | | |
| 5 | Tenure | Ongoing | | |
| 6 | Justification as to why the proposed transaction is in the interest of the Company | As specified in the 'Background details and benefits of the transactions' | | |
| 7 | Whether the transaction relates to any loans/ inter-corporate deposits, advances or investments made or given by the Listed entity or its subsidiary | Not Applicable | | |
| 8 | Details of valuation or other external party report (if any) | None | | |
| | Percentage of Company's annual consolidated turnover for the immediately preceding financial year, that is represented by value of proposed transaction (and for RPT involving a Subsidiary, such percentage calculated on the basis of Subsidiary's annual turnover on a Standalone basis shall be additionally provided) | a) ₹ 4,000 Crores constitute 22.61% of the annual consolidated turnover of the Company for the FY 2023-24.<br>₹ 12,000 Crores constitute 67.83% of the annual consolidated turnover of the Company for the FY 2023-24.<br>b) ₹ 5 Crores constitute 0.03% of the annual consolidated turnover | | |
| | | **Name of the Subsidiary Company** | **Nature of Transaction(s)** | **Value of proposed transaction as a % of the annual turnover of Subsidiary on a Standalone basis** |
| | | IsmartU India Private Limited | Sale of Finished Goods | 48.38%<br>145.15% |
| | | | Leasing of Property of any Kind | 0.06% |
| 10 | Any other information | Nil | | |

The Members are also informed that the above mentioned related party transaction between IIPL, G Mobile and S Mobile are prospective in nature, i.e. subject to IIPL becoming Subsidiary of Dixon Technologies (India) Limited, therefore the Company is seeking shareholder's approval in advance so that upon completion of the acquisition of IIPL, the business transactions between IIPL and S-Mobile and G-Mobile are pre-approved by the shareholders.

**D. Background, details and benefits of the transaction(s) of IsmartU India Private Limited (Prospective Subsidiary of the Company) and Tecno Mobile Limited:**

IsmartU India Private Limited ("IIPL") is a private limited company engaged in the business of manufacturing and assembly, sale, distribution, import and export of mobile phones, tablets, electronic devices, and other components of mobile and/or electronic devices. IIPL is a prospective subsidiary company of Dixon. As informed by the Company through its announcement made to the stock exchanges on 08th April, 2024, subject to the satisfactory completion of the condition precedents, Dixon proposes to acquire 50.10% share capital of IIPL and therefore once Dixon acquires the proposed stake in IIPL, it will become a subsidiary company of Dixon.

Tecno Mobile Limited ("Tecno") is a Company established in 2006 in Hong Kong, which is the first mobile phone brand of Transsion Holdings, a high-tech enterprise that integrates research, development, manufacturing, sales and services of mobile communications products. The proposed arrangement shall ensure smooth business operations and consistent supply of desired quality and quantity of raw material.

As per the business arrangements between IIPL and Tecno, IIPL will purchase raw material from Tecno for undertaking its normal course of business. Since the aforesaid transactions between IIPL and Tecno is likely to exceed ₹ 1,000 Crores or 10% of the consolidated turnover of Dixon Technologies (India) Limited, approval of the shareholders of the Company is sought.

**Approval of the Audit Committee:**

The Audit Committee has, on the basis of relevant details provided by the management as required by the law, at its meeting held on 30th July, 2024, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be in the ordinary course of business of the Company

**The details of the summary of the Information as required under SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated November 22, 2021 placed before the Audit Committee for their approval is as under:**

| S.No. | Particulars | Details |
|---|---|---|
| 1 | Name of Subsidiary Company | IsmartU India Private Limited ("IIPL") [Prospective Subsidiary of Dixon Technologies (India) Limited] |
| 2 | Name of the Related Party and its relationship with the listed entity or its Subsidiary Company including nature of its concern or interest (financial of otherwise) | Tecno Mobile Limited ("Tecno")<br>IIPL and Tecno Mobile Limited falls under the purview of Related party as per the Ind-As and SEBI Listing Regulations. |
| 3 | Type, Material terms and particulars of the proposed transactions | Purchase of Raw Material |
| 4 | Tenure of proposed transaction | Ongoing |
| 5 | Value of Proposed transactions | Not exceeding ₹ 3,000 Crores per annum |
| 6 | Percentage of the listed entity annual consolidated turnover for the immediately preceding financial year represented by value of proposed transaction | 16.96% |
| 7 | Percentage of transaction, basis Subsidiary's annual turnover on standalone basis for immediately preceding financial year | 36.28% |
| 8 | Justification as to why the RPT entered into by the Subsidiary is in its interest | As specified in the '**Background details and benefits of the transactions**' |
| 9 | Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship | None of the Directors of the Company are interested in the proposed transactions. |

Considering the quantum of transactions, approval of the Members is sought as per the requirements of Regulation 23 of the Listing Regulations, for the following specific Material Related Party Transactions, details of which are mentioned herein in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated 22nd November, 2021:

**Details of the Material Related Party Transactions pertaining to a Subsidiary of the Company:**

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | **Name of the Subsidiary** | **Name of the Related Party (ies)** | **Nature of Relationship** |
| 1 | Name of the related party and its relationship with the Subsidiary Company, including nature of its concern or interest (financial or otherwise) | IsmartU India Private Limited ("**IIPL**") | Tecno Mobile Limited ("**Tecno**") | Related Party as per Indian Accounting Standards (IND-As) and SEBI Listing Regulations. |
| 2 | Type, nature, material terms and particulars of the contract or arrangements | | | |
| | Purchase of Raw Material | | | |
| 3 | Monetary value of the transaction | Not exceeding ₹ 3,000 Crores per annum | | |
| 4 | Any advance paid or received for the contract or arrangement, if any | Based on the nature of transaction, advance for part or full amount of the transaction / arrangement could be paid / received in the ordinary course of business. | | |
| 5 | Tenure | Ongoing | | |

| S. No. | Particulars | Disclosures | | |
|---|---|---|---|---|
| | | Name of the Subsidiary | Name of the Related Party (ies) | Nature of Relationship |
| 6 | Justification as to why the proposed transaction is in the interest of the Company | As specified in the '**Background details and benefits of the transactions**' | | |
| 7 | Whether the transaction relates to any loans/ inter-corporate deposits, advances or investments made or given by the Listed entity or its subsidiary | Not Applicable | | |
| 8 | Details of valuation or other external party report (if any) | None | | |
| 9 | Percentage of Company's annual consolidated turnover for the immediately preceding financial year, that is represented by value of proposed transaction (and for RPT involving a Subsidiary, such percentage calculated on the basis of Subsidiary's annual turnover on a Standalone basis shall be additionally provided) | ₹ 3,000 Crores constitute 16.96% of the annual consolidated turnover of the Company for the FY 2023-24.<br><br>₹ 3,000 Crores constitute 36.28% of the annual turnover of the Subsidiary Company on a standalone basis. | | |
| 10 | Any other information | Nil | | |

The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under Item No. 5 and 6.

Except as mentioned above, none of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are, in any way, concerned or interested either directly or indirectly, financially or otherwise in the Resolution mentioned at Item No. 5 and 6 of the Notice.

## Item No. 7

Pursuant to the provisions of Section 186 of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), the Board of Directors of a Company can, subject to other conditions, give any loan to any person or body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, any sum or sums of moneys, beyond the maximum permissible limit under Section 186 of the Act i.e. 60% of the paid-up capital of the Company and its free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, provided that if same is approved by the shareholders of the Company by special resolution .

The Shareholders of the Company at the 25th Annual General Meeting held on 25th July, 2018, pursuant to the recommendation of the Board of Directors of the Company, accorded their consent to make loans from time to time on such terms and conditions as it may deem expedient in one or more tranches to any person or other bodies corporate up to an aggregate sum of ₹ 400 Crores; give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by any body corporate in one or more tranches up to an aggregate sum of ₹ 400 Crores; and acquire by way of subscription, purchase or otherwise the securities in one or more tranches of any other body corporate up to an aggregate sum of ₹ 400 Crores.

The growth strategy of the Company includes both organic and inorganic ways and it continues to invest and diversify into new businesses to support its long-term growth opportunities. In line with the Company's strategy that once the Company acquires large scale operations, the next phase is to deepen the level of manufacturing. The Company has already finalized the technology partner for manufacturing of displays for mobile and IT hardware and expect to start manufacturing next year. The Company is also looking to get into precision components, mechanicals and various other modules, connectors, cables and same are under various stages of discussions to partner with. This will help the Company in acquiring the technical bandwith, create a moat in the business, acquire the competitive strength and also leverage on the proposed component PLI scheme. As informed by the Company through its announcement made to the stock exchanges on 08th April, 2024, subject to the satisfactory completion of the condition precedents, the Company would acquire 50.10% equity share capital in IsmartU India Private Limited ("IIPL") under tranche 1 for an aggregate initial consideration of approx. ₹ 275 Crores, subject to post-closing adjustments. Post the completion of acquisition of tranche 1 shares in IIPL together with other investments already made by the Company and considering the future growth opportunities of the Company, the remaining limit available with the Company under section 186 of the Companies Act 2013 would be insufficient. Presently, the loans, guarantees, investments etc. made by the Company are within the limits provided under Section 186 of the Act as approved by the shareholders of the Company at the aforesaid AGM, however, considering the growth strategy of the Company and business propositions/opportunities under consideration, it will be required to make further cash outflows to meet the business requirements.

In view of the above, in order to make optimum utilization of funds available with the Company, to achieve long term strategic and business objectives, and also to enable the Company to take hold of any other business propositions/opportunities that may arise in the foreseeable future and the Company's prospect in developing the component ecosystem, the Board of Directors of the Company proposed to enhance the limits for granting loans, giving guarantee or providing security to other persons or other body corporate as and when required and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of the limits provided under Section 186 of the Act upto an amount not exceeding ₹ 1800 Crores. Accordingly, the Board at its meeting held on 30th July, 2024, subject to the approval of the Members of the Company, unanimously approved the aforesaid proposal for enhancing the limits of Section 186 of the Act and rules made thereunder, upto an amount not exceeding ₹ 1800 Crores.

In view of the above, the approval of the members is being sought to authorize the Board of Directors or duly constituted committee thereof, to make investment or give loan, give any guarantee and provide any security in excess of the limits provided under section 186 of the Act, upto an amount not exceeding ₹ 1800 crores at any time, provided that the said limit shall not apply to the loan(s) or guarantee(s) given or security provided by the Company to its Wholly Owned Subsidiary Company or a Joint Venture Company (whether formed or to be formed), or the investment by way of subscription, purchase or otherwise in for the Securities of the Company's wholly owned subsidiary company/ies, whether formed or to be formed in line with the provisions of the Act.

The above proposal is in the interests of the Company and the Board recommends the Resolution as set out in Item No. 7 to be passed as a Special Resolution by the Members of the Company.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolutions either financially or otherwise. The Board of Directors of your Company recommends that the Resolution under Item No. 7 be passed in the interest of your Company.

For Dixon Technologies (India) Limited

Sd/-
**Ashish Kumar**
Chief Legal Counsel & Group Company Secretary
M.No- F8355

Dated: 30th July, 2024
Address-B-14 & 15, Phase-II, Noida-201305

# Annexure-A

**Details of the Director(s) as on date of this Notice seeking re-appointment at the Annual General Meeting**

(Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings)

## Item No.3

| | |
|---|---|
| Name of Director | Mr. Atul B. Lall |
| DIN | 00781436 |
| Category of Director | Vice Chairman and Managing Director |
| Brief Resume | As mentioned hereunder |
| Date of Birth and Age (in years) | 5th January, 1962 and 62 years |
| Nationality | Indian |
| Qualifications | Master's Degree in Management Studies from the Birla Institute of Technology and Science, Pilani |
| Experience & Expertise | Mr. Lall has been leading Dixon Technologies since foundation and built it to its current leadership position in the EMS Industry. He is responsible for Dixon's overall strategy and business operations. Aside serving as board members on other group companies of Dixon Technologies, he is also serving as an Independent Director on the Board of Happy Forgings Limited and Max Estates Limited. With over 30 years of experience in the EMS industry, his forte is in introduction of new segment lines and rolling out expansion strategies. 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 is an avid reader and has also authored the book, 'Gita and India Inc.'. He has also been elected as President of Electronic Industries Association Of India ("ELCINA"). Mr. Lall has been conferred with the MAN OF ELECTRONCIS BY CEAMA (Leading Industry Body Association) for 2022. In his leisure time, he likes to indulge in reading and playing Golf. He is also on the governing board of Plaksha University. |
| Terms and conditions of appointment or re-appointment | As per the Resolution passed by the members at the Annual General Meeting held on 28th September, 2021, Mr. Atul B. Lall was appointed as Managing Director for a period of 5 years, with effect from 5th May 2022 and upto 4th May, 2027 liable to retire by rotation. |
| Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable | As per the existing terms approved by the shareholders at the Annual General Meeting held on 28th September, 2021 and pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.<br>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 | 30th June, 2000 |
| Shareholding in the company as on 31st March, 2024 | 20,95,585 |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | No inter-se relation |
| Number of Meetings of the Board attended during the year | 6 |

| | |
|---|---|
| Other Directorships | 1. Happy Forgings Limited<br>2. Padget Electronics Private Limited<br>3. Dixon Electro Appliances Private Limited<br>4. Dixon Electro Manufacturing Private Limited<br>5. Dixon Technologies Solutions Private Limited<br>6. Rexxam Dixon Electronics Private Limited<br>7. Califonix Tech and Manufacturing Private Limited<br>8. Dixon Infotech Private Limited<br>9. Max Estates Limited |
| Membership/ Chairmanship of Committees of other Boards as on 31st March, 2024 (Refer Note 1) | Nil |
| Names of the Listed entities from which the person has resigned in the past 3 years from directorship | Nil |
| Skills and Capabilities required for the role and the manner in which the proposed meets such requirements | N.A. |
| Resignation as a Director from Listed Companies in past 3 years | Nil |

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

Dixon®

The brand behind brands

# Crafting a Sustainable Pathway to **Progress**

Dixon Technologies (India) Limited

Integrated Annual Report 2023-24

Visit our online Annual report 2023-24

Download the report

# Contents



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

**Sunil Vachani**

Executive Chairman

Forward-looking statements

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

Over the years, we have crossed many milestones, setting new benchmarks in technical expertise, along with our designing and manufacturing capabilities. However, now we are ever more committed to push our limits and move on to greater glories.

Powered by that commitment, we continue to be a participant of India's long-term growth story, capitalising on the country's robust consumption narrative and "Make in India" initiative to achieve industry-leading growth.

We are investing in our capacities, diversifying into new product categories with sharper focus on quality, manufacturing excellence and also fulfilling the needs of our customers and strengthening our position as a key industry player. These strategies provide us a robust springboard to build value for the long term and craft a sustainable pathway to progress.

At Dixon, we are continually focusing on sustainability and responsible business practices and aligning ourselves with the global shift of integrating ESG considerations into our corporate strategies. Our ESG journey enables us to contribute towards environmental conservation, socio-economic well-being, and combating climate change.

By strengthening our revenue and profitability, while prioritising social and environmental aspects, we are working towards creating long-term value and contributing to a more sustainable future for all stakeholders.

# Crafting a Sustainable Pathway to **Progress**

# Progressing sustainably towards new frontiers and possibilities

We are one of the leading providers of Electronic Manufacturing Services (EMS) in India. Our quality products cater to the diverse requirements of clients across domestic and international markets.

We serve as the trustworthy **Brand behind Brands**, connecting end-users with globally acclaimed electronic brands. Our core emphasis continues to be on developing and designing industry-leading products. We enter into those specialised markets, where application-specific deep knowledge and insights are an imperative.

We are also expediting our digital transformation and implementing state-of-the-art technologies to ramp up operational scale and efficiency, unlock future growth potential and deliver industry-leading experiences to our customers worldwide.

Our frugal, flexible and fungible competencies help us serve various requirements of discerning clients with precision and agility. The happiest part of the journey for Dixon has been that its client retention rate is among the highest in the industry worldwide.

We aim to be among the top 10 global EMS companies in the next 5 years.

## What makes Dixon unique?

Technical knowhow and manufacturing expertise

Robust cost strategies, supporting scalability

Expertise to provide end-to-end solutions in consumer electronics space

Strong backward integration

Diversified global client base

Strong client retention rate

## Quick Look at our performance (at Dixon Group Level)

### Financial

**₹69,915 million**
Total Assets

**₹1,76,909 million**
Revenue from operations

**₹3,749 million**
PAT

### Operational

**22,000+**
Employees [Onroll + Contractual]

**23**
Manufacturing plants (Across India)

**6**
R&D centres

## Mission

Our Mission statement includes the following:

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

**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.

**Supplier Partnerships** – Emphasise communication, training, measurement, and recognition.

**Business Ethics** – Conduct business with uncompromising integrity.

**Social Responsibility** – Be an asset to the community.

**Creating value for all Stakeholders** – Through sustainable and transparent business practises

## Vision

To be the most preferred & trusted manufacturing & solutions partner for brands operating across electronic verticals.

## Values

We at Dixon strictly adhere to our values, which are:

**Quality–** Offering innovative products and services that meet customer expectation.

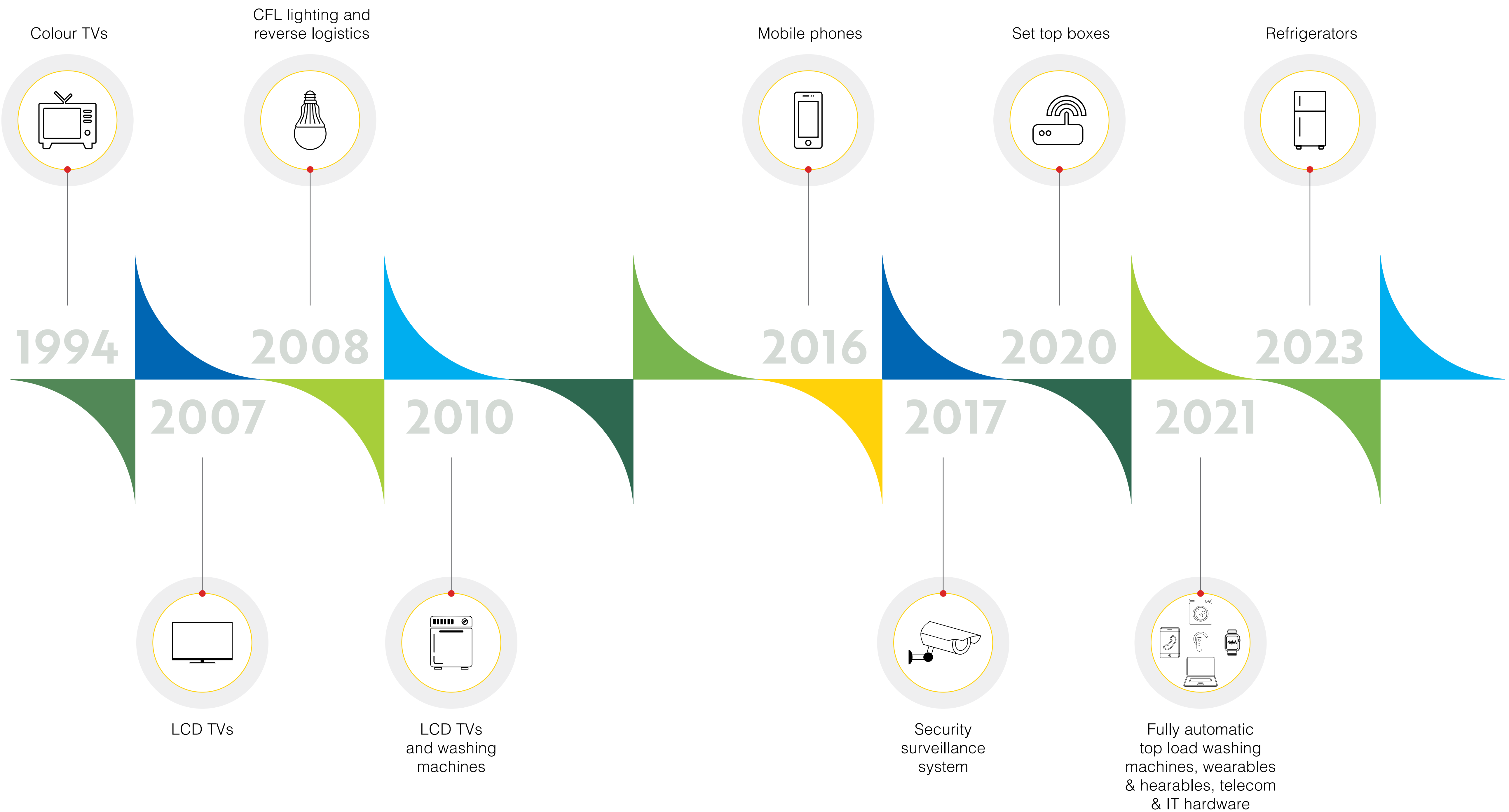
**Trust (nurturing relationships)** – Laying the foundation of a trust-based and long-time relationship with every customer.

**Passion (to innovate and excel)** – The constant desire to come up with something bigger and better every time.

# A phenomenal journey of growth and value creation

## Ever since inception, we are consistently adding new chapters in our exciting story of growth and value creation for our global clients.

From a largely single-product category (LED televisions), we have now emerged as a multifaceted powerhouse in the Indian Electronic Manufacturing Services (EMS) market, we have acquired the scale and expertise required for global competitiveness.



We are also doubling down on execution to stay ahead of the curve.

India is emerging as one of the largest manufacturing hubs for consumer electronics brands, and our scale enables global competitiveness.

# Ramping up our manufacturing presence and prowess

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

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

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

Plot No. 6, Sector-90, Noida

Plot No. 14, Ecotech-VIII, Greater Noida, Uttar Pradesh

A – 23, Sector-60, Noida

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

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

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

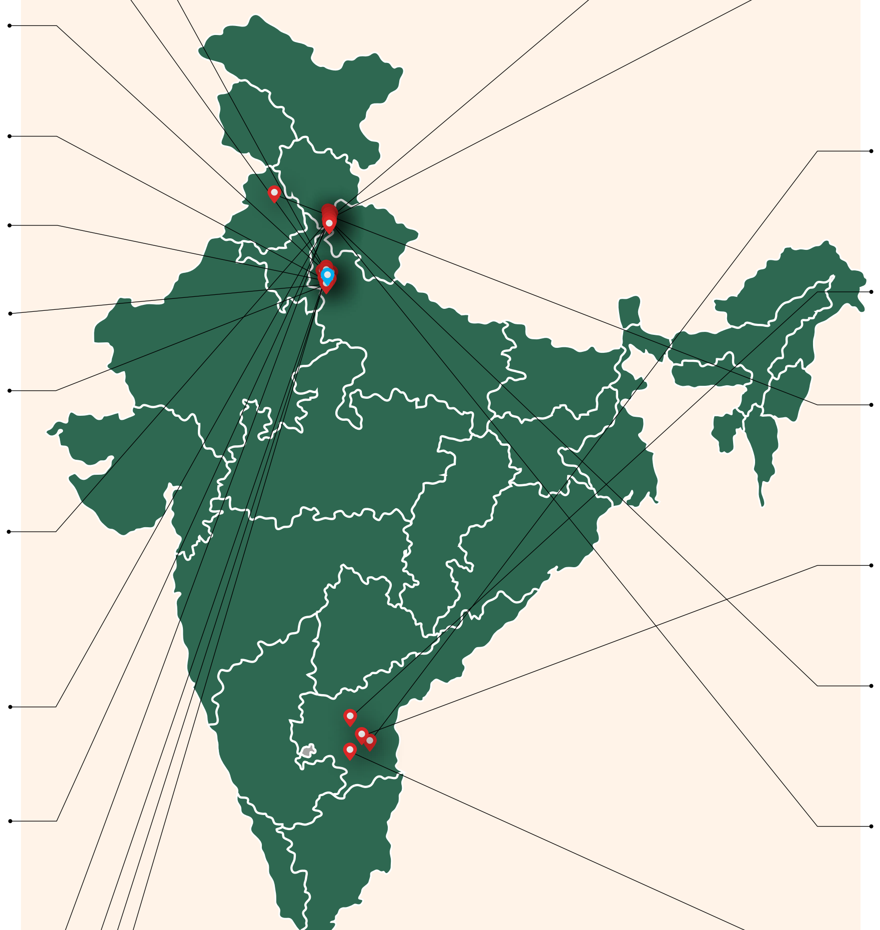
Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand

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

B-14. Sector-85 Noida

B-17, Sector-85 Noida

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



Headquarters Noida, U.P

B-13, Sector-85, Noida, Uttar Pradesh

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

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

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

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

Plot No. 30 & 31. Govindavaram panchayat, Tirupati

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

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

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

## Our holdings

8 Subsidiaries

Dixon Global Private Limited 100%

Padget Electronics Private Limited 100%

Dixon Technologies Solutions Private Limited 100%

Dixon Infotech Private Limited 100%

Dixon Electro Appliances Private Limited 51%

Dixon Electro Manufacturing Private Limited 100%

Dixtel Communications Private Limited 100%

Dixtel Infocom Private Limited 100%

3 Joint Ventures

AIL Dixon Technologies Private Limited 50%

Rexxam Dixon Electronics Private Limited 40%

Califonix Tech and Manufacturing Private Limited 50%

Dixon's share in the company

# Message from the Executive Chairman

We, at Dixon Technologies, are seizing this opportune period to scale up our production capabilities, contributing to the nation's vision of building 'Atmanirbhar Bharat'. While we regard indigenous manufacturing as an important aspect, we put equal emphasis on 'Design in India' to ensure our products can fulfil the exacting global standards and create long-term stakeholder value.

**Dear Shareholders,**

It is an honour for me to present to you the Integrated Annual Report of Dixon Technologies (India) Limited for the financial year 2023-24. Before I explain our performance for the year allow me to share with you the macro landscape in which we operate.

During the year, the global geo-political scenario continued to be uncertain with persistent conflicts in Europe and the Middle East, fuelling inflation and disrupting supply chains. Although coordinated actions by Central Banks worldwide have helped curb inflationary pressures globally, downside risks persist.

Amid the global turmoil, India continues to be one of the fastest growing major economies of the world, with an emphasis on infrastructure creation, incentivising indigenous manufacturing and encouraging local employment generation. Robust growth across multiple sectors is driving socio-economic prosperity, which is inclusive and sustainable.

We, at Dixon Technologies, are seizing this opportune period to scale up our production capabilities, contributing to the nation's vision of building 'Atmanirbhar Bharat'. While we regard indigenous manufacturing as an important aspect, we put equal emphasis on 'Design in India' to ensure our products can fulfil the exacting global standards and create long-term stakeholder value.

### Eyeing the global opportunity in the EMS space

At present,the potential growth of the electronics market is expected to reach USD 3 trillion by 2047, including exports worth approximately USD 100 Billion presents a significant opportunity, especially with the government's focus on scaling exports in this sector.

With strong growth potential, the domestic electronics sector continues to expand rapidly and is poised to become an integral part of India's manufacturing footprint.

At Dixon, we are geared to capitalise on this opportunity by bridging this massive gap in India's export potential and realisation. For the years ahead, our objective is ambitious yet attainable—we aim to be among the top five global EMS players within the next decade.

Over the years, we have followed a fairly straightforward approach which entailed entering a category, creating scale and bolstering our backward integration capabilities to offer cost-competitive offerings for improved customer stickiness. I believe that this agility in seeding and scaling up new segments will support our ambition in the years to come. Further, we have internalised a culture of frugality, which has not only contributed to record revenue growth but have also enabled us to consistently deliver a high return of capital employed (RoCE)—reaffirming our fiscal prudence and a persistent focus on stakeholder value creation.

### Focused on 'Make in India'

The Electronics industry in India is now positioned at an inflexion point with the country planning an ₹ 440 billion boost to become an electronics powerhouse. With India gradually strengthening its value proposition as an alternate manufacturing hub on the global stage, while gradually reducing its electronics imports and scaling domestic manufacturing, a paradigm shift in the growth of indigenous EMS players, like us is anticipated.Enhanced government impetus for 'Make in India' products and recent policy boosters for electronics and component manufacturing in India to support assembly, also augurs well for our growth.

With strong growth potential, the domestic electronics sector continues to expand rapidly and is poised to become an integral part of India's manufacturing footprint.

At Dixon, we are at the right place and at the right time having delivered competitively priced products for both exports and domestic markets. Besides, we have received approvals for the production-linked incentive schemes, which has enabled us to increase localised production of components. This backward integration has strengthened our domestic supply chain, thereby aligning with the country's emphasis on 'Make in India' initiatives.

Additionally, we are expanding our manufacturing footprint across India with a renewed focus on innovation and sustainability. Our new state-of-the-art refrigerator plant in Greater Noida has resulted in considerably streamlined operations. We have also inaugurated a washing machine plant in Dehradun, with annual production capacity of 2.4 million units and the facility is expected to generate employment opportunities for more than 1,000 people.

### Fostering partnerships and collaborations

We aspire to be the preferred manufacturing and solution partner for renowned brands. In the mobile phones division, we have collaborated with industry behemoths. We are also expanding our IT hardware business with a steady order book. Our wholly-owned subsidiary, Padget Electronics is now the beneficiary in IT PLI 2 under the hybrid category. It will enable us to manufacture laptops and notebooks for Lenovo in addition to our existing partnership with Acer. Beyond our core products, we are currently working in categories such as wearables and hearables through a joint venture with boAt and through our partnership with the Bharti Group in the telecom space.

### Ramping up tech infrastructure and data analytics

Technology continues to evolve and elevate business performance and quality of life for millions of people. Our objective now is to integrate advanced technology across all aspects of our businesses. Our tech vision actively engages with the dynamic technology landscape to enhance our products, processes and customer experiences. Dixon has undertaken 38+ digital/ technology projects. Through major initiative Industry 4.0 >> Robust & Digital MES/MOM solution enablement, including and expanding cloud technology, insights and analytics, cybersecurity measures and ongoing Gen-AI experiments, we are now unlocking new possibilities. We have also established technology partnerships with global technology leaders, such as Dassault, Google, Blue Yonder, SIEMENS, Qlik, Nutanix and others.

We believe, Artificial Intelligence (AI) can fundamentally transform life and business as we know it. In business, this may require us to completely reinvent how we approach our work. As we look towards the future, digital transformation and Industry 4.0 are likely to remain critical enablers of our growth. In keeping with this, we are also integrating advanced technologies across our operations and positioning Dixon to lead in this new era of manufacturing.

### Sustaining our growth momentum

To support our upward trajectory, we are judiciously investing in deeper backward integration, both organically and inorganically. Our low capital model and basic level technology offerings present low barriers to entry amid high competition, substantially raising the execution burden and need for product diversification and backward integration. We are also gradually increasing local value addition and growing our ODM share across key business verticals which should lead to better backward integration and further improve margins from here on.

Moreover, expanding our manufacturing footprint with new mega factories in Noida and Chennai, coupled with our entry into high-value EMS sectors like automotive and aerospace are set to further strengthen our market position. Our future prospects remain promising, with numerous opportunities to innovate, excel and unlock value that benefits our customers, investors and other stakeholders.

### Upskilling our people

We recognise that skill development is essential for scaling our operations and sustaining an edge in an ever-evolving industry. Our team, therefore, remains committed to regularly engage in training and development programmes that align with the requirements of a future-focused working environment. We have also established centres of excellence to provide in-house training to our workforce and address evolving requirements. Besides, we remain focused on nurturing a diverse and inclusive workplace. Reiterating this commitment, our Tirupati factory now has a workforce comprising 65% women.

> We believe, Artificial Intelligence (AI) can fundamentally transform life and business as we know it. In business, this may require us to completely reinvent how we approach our work.

Considering the importance of learning and development, Dixon has established a learning roadmap, wherein the focus is on developing technical, functional, managerial capabilities, leadership and innovation skills of employees of your Company. We periodically conducts 'DIXON STAR SUPERVISOR (DSS)' workshops for enhancing the supervisory skills of our team members. As part of employee engagement, we organise various health camps/workshops, festivals, monthly award distributions, workshops on minimising water wastages, Environmental clean-ups workshops and indoor sports activities.

### Growing with a multi-stakeholder approach

We believe that to generate long-term value, we need to widen our vision and care for all our stakeholders, comprising our customers, suppliers and business partners, employees, investors, communities and above all, the planet and society. Our future growth trajectory will depend on our multi-stakeholder model and embed sustainability across the value chain.

> We believe that to generate long-term value, we need to widen our vision and care for all our stakeholders, comprising our customers, suppliers and business partners, employees, investors, communities and above all, the planet and society. Our future growth trajectory will depend on our multi-stakeholder model and embed sustainability across the value chain.

Sustainability at Dixon extends beyond environmental stewardship to encompass responsible business growth as it is pivotal for earning the trust of our stakeholders. To this end, we are taking various measures such as amplification of rain water harvesting, establishments of Sewage Treatment Plants (STPs), non-usage of plastic bottles and reduction of carbon emissions by enhanced installation of solar panels in our facilities.

Recently, our wholly-owned subsidiary, Dixon Electro Manufacturing Private Limited has commissioned its operations at Greater Noida having a solar capacity of 1,980 KWP that is equivalent to 67,980 matured trees absorbing CO2 for 40 years and 1,37,100 barrels of oil consumed. We shall also be conducting Supply chain assessment and Climate risk assessment in the coming years to enhance our ESG performance.

We engage in community development projects to uplift communities and bring holistic change in society. During the year under review, we have contributed towards Healthcare, Education and Skill Training, Women's Empowerment and Welfare of Senior Citizens, among others.

At Dixon, we have a strong governance framework that supervises our business initiatives, emphasising on diversity and inclusiveness in our workforce and ESG practices every step of the way. Our core values underpin all our initiatives and encourage us to craft sustainable pathways to progress with a multi-stakeholder approach to growth. Empowered with future-fit capabilities and anchored to our core values, we are well positioned to deliver value to all stakeholders in a transforming India.

I am confident that our enduring customer relationships, integrated manufacturing facilities, a diversified client base, robust R&D capabilities, technical expertise, experienced leadership team and strong corporate governance will continue to serve as our competitive advantages going forward.

**Thank you for your continued trust and support in our journey so far.**

**Regards,**

**Sunil Vachani**

**Executive Chairman,**
**Dixon Technologies (India) Limited**

# Vice Chairman and Managing Director Message

It's been more than 7 years since the Company got listed on the stock exchanges and it's been a phenomenal journey so far and an exciting journey lies ahead for Dixon. I am pleased to report that Dixon's revenue and Net profit has grown by more than 35% CAGR since 2018. Over the span of last 5-6 years, your company has added 4-5 new product categories in its portfolio such as Smart phones, Telecom products, IT Hardware, Refrigerators, Wearables and Hearables that has accelerated our business growth.

**Q & A Session:**

**Q** Given the significant growth that Dixon Technologies experienced in FY 2023-24, particularly in the mobile phone segment, can you elaborate on the Company's overall performance during this period?

**A** In a challenging operating environment, we remained resilient and achieved steady growth during FY 2023-24. Although rising costs and reduced demand across certain business divisions pressurised the margins, we achieved strong financial and operational performance owing to increased sales, high operating leverage and backward integration across the value chain.

We believe, India's electronic goods market stands at the threshold of immense opportunities, offering a conducive environment for domestic manufacturing to thrive. Coupled with the government's emphasis on creating a favourable policy environment and a thrust on 'Make in India' initiative and the Production Linked Incentive (PLI) scheme, we are enhancing our manufacturing scale, improving our production processes and introducing customer-focused solutions to retain our competitive edge in the market.

With the addition of a few manufacturing facilities in Uttar Pradesh and Uttarakhand, we now have 23 manufacturing units in India across Dixon Group. Our consolidated revenue from operations has grown at a significant rate of 45% over the past year. Moreover, our operating profit grew at a healthy rate of 36% due to economies of scale and cost control initiatives implemented across all business segments.

**Q** Could you focus on some of the major highlights of the last fiscal year?

**A** We focused on execution in a challenging operating environment, leading to strong earnings and improved operating margins. To fulfil the requirements of the PLI scheme, we have made notable progress across our business verticals during the year under review.

- Our mobile and EMS division delivered remarkable growth, with revenues growing by 109% to ₹ 10,919 Crores and operating profit reaching ₹ 355 Crores, reflecting a 113% increase and an operating profit margin of 3.3%. In the last fiscal year, we touched a significant milestone of producing 15 million smartphones and 38 million feature phones. We are also making incremental investments in this business to cater to the rising demand from exports and new brand launches.

- In the Consumer Electronics division, we achieved an operating profit of ₹ 141 crores, with a 3.4% operating margin. A key breakthrough was the roll out of our android based solutions from Google, which received an encouraging response from renowned brands. We also entered into a partnership with Samsung to commence the use of their Tizen operating system in the domestic market. Additionally, we commenced the manufacturing of Interactive Flat Display panel and digital signage solutions from 65 inches to 100 inches, an area where we have a promising order book and superior margins. Besides, our backward integration efforts included the inception of local injection moulding and LED bar utilisation for manufacturing for televisions. We have also advanced into newer product categories in this segment such as commercial displays used in public advertisements and Information displays for use in education institutions and offices. A state-of-the-art R&D center for display devices has also been set up in Noida for superior product developments in televisions and in IFPDs as well as Digital signages.

- Our Home Appliances division's revenue has grown, primarily due to the large production volumes achieved by our new state-of-the-art facility in Dehradun, which has an installed annual capacity of 2.4 million units p.a. Aligning with our backward integration strategy, we have established an in-house tool room for mould production. Besides, we have expanded our client base for manufacturing of semi-automatic as well as fully automatic washing machines for major brands, reiterating our ability to retain our market leadership in this segment. In the future, we will be foraying into AI based Fully Automatic Top load washing Machines.

- In Refrigeration segment, we have developed the capacity to produce 1.2 million units per annum direct cool refrigerators. Our ability to introduce advanced features across different models and develop energy efficient refrigerators have strengthened our position as a preferred ODM partner for some of the largest Indian brands. We would also be introducing glass door models and have already started developing two door frost free models in this category.

- While price erosion and subdued consumer demand impacted the revenues in the lighting division, however, on year-on-year basis, we are taking proactive measures to introduce new offerings such as floodlights, strip lighting, street lights and different varieties of ceiling lights, including a professional range, to drive our growth prospects. Additionally, we are deepening our backward integration efforts to optimise costs in mechanicals.

- Pertaining to our Telecom division, our new facility in Noida has helped to ramp up the production of telecom and networking products. We are also producing routers and android set-top boxes for major Indian mobile operators including Airtel. We have also secured significant orders from large brands for 5G Fixed Wireless Access (FWA) and 5G CPE devices. The telecom segment at the moment has a very strong robust order book for which we are making investments in line with our PLI commitments, which is positioning us for continued growth in the mid to long term.

- In the wearables and hearables segment, we recorded revenues of ₹ 747 crores with healthy operating margins. We have also established a dedicated facility for producing Bluetooth enabled speakers and smartwatches. In this category, we have also deepened our level of manufacturing by setting SMT lines for PCBA which is going to be in-house.

- Our security surveillance systems business achieved significant revenue growth with the addition of new product categories. The new facility in Kopparthi has stabilised, resulting in enhanced revenue growth by 29%. We have further expanded our surface mount technology (SMT) capabilities by adding two more SMT lines to enhance our production capacity and augment our manufacturing capability. We are also exploring options to add two more product categories like 4G camera & routers in Security and Surveillance segment.
- We also have a 40-60 joint venture with a Japanese company, Rexxam Dixon Electronics Private Limited, to manufacture Printed Circuit boards for air conditioners. This JV achieved a revenue of ₹ 362 crores in FY24 with healthy operating margins and ROCE. We have achieved capex thresholds for 2 years and revenue for FY 2024 under PLI scheme in this segment.

**Q** In light of the ever-evolving technological landscape, could you elaborate on Dixon Technologies' approach to digital strategy?

**A** We are embarking on a digital transformation journey to solidify our position as a technology-driven and stakeholder-centric organisation. We are adopting cutting-edge technologies to ensure real-time monitoring, enhance productivity and maintain transparency with stakeholders.

Recognising the scale of our operations, with nearly a million devices produced daily across multiple manufacturing facilities, we understand the need to leverage digital solutions to mitigate risks, streamline processes and uphold safety standards. It is not just advisable but imperative for us to propel Dixon to the forefront of innovation and deliver superior quality products to clients while creating value for stakeholders.

We have forged collaborations with global giants like Samsung, Panasonic and Xiaomi to integrate digital transformation initiatives into our manufacturing operations. Through our partnership with Dassault and Blueyonder, we aim to utilise digital tools and technologies such as MES and supply chain platforms to streamline our operations.

**Q** What are your plans for the year ahead?

**A** With the growing prominence of China plus one strategy, global electronics players are seeking alternative production hubs in countries such as India. Dixon has been benefitted from its unique positioning as a leading EMS and ODM for major global players operating in India. However, we realise that the industry needs to go beyond manufacturing and become more self-reliant. Towards this end, we have increased investments for research and development to develop domestic design solutions that form the backbone of a strong manufacturing Company.

We are also prepared to drive the next phase of our journey with deeper manufacturing capabilities. We intend to manufacture advanced display modules and explore opportunities in the precision components segment. These steps are anticipated to improve margin profile our EMS businesses like mobile category.

Besides, Dixon's future revenue growth hinges on several key strategies. First, we aim to expand our customer base and maximise our wallet share in the mobile. Second, we are diversifying into new segments such as Industrial electronics, IT products, telecom products, LED lights and components for refrigerators and air conditioners. Third, we are also augmenting our R&D strength to develop new solutions. As digitisation touches every aspect of modern life, there is a huge potential for Industrial and Automotive electronics manufacturing in the country. While we are currently focused on consumer-facing electronics, we hope to cater to these segments as well. Lower volumes with higher margins in these verticals are expected to significantly contribute to our profit generating potential. Hence, we are investing in design solutions to help Dixon become an engineering powerhouse. Leveraging Dixon's Balance sheet, we shall be evaluating Merger & Acquisition opportunities to target market entry into industrial/ automotive segments and aggressively expanding our existing businesses targeting domestic & export markets. On our vision of becoming an Engineering powerhouse and enhancing our functional expertise, we shall be developing best talent pool in supply chain, engineering, NPI, R&D by building Centre of Excellence (COEs) to implement automation opportunities across all Business units.

> We have forged collaborations with global giants like Samsung, Panasonic and Xiaomi to integrate digital transformation initiatives into our manufacturing operations. Through our partnership with Dassault and Blueyonder, we aim to utilise digital tools and technologies such as MES and supply chain platforms to streamline our operations.

By prioritising research and development, Investing in the component ecosystem and diversifying into new segments, we are well-positioned for sustainable growth and capitalise on the increasing demand for electronics manufacturing in India. We are also actively pursuing investment in mechanicals/ components. Moreover, the Company has also entered into a Term sheet with HKC Corporation Limited for manufacturing of Liquid Crystal Modules and TFT LCD Modules, subject to receipt of necessary approvals and signing of definitive agreements to open up local markets in India. Going forward, we will to continue create value for our stakeholders and strengthen our position in the EMS industry.

**Regards**

**Mr. Atul B Lall**

**Vice Chairman and Managing Director**

**Dixon Technologies (India) Limited**

# Message from the CFO

## Overview

Our company has delivered yet another year of strong performance with a revenue of ₹ 17,713 Crores which is a growth of 45% as against previous financial year. EBITDA and PAT grew by 39% and 47% respectively. We continue to invest in our capacities & diversify into new product categories to support long-term growth opportunities with huge focus on quality, manufacturing excellence & consistently meeting the needs of our principal customers & strengthen our position as a key player in the industry.

Our foremost objective continues to be a part of India's long-term growth story and to ride the country's robust consumption narrative & Make in India initiative to achieve industry-leading growth

### Capital Alloctation

Dixon has always maintained a conservative financial profile with an optimal capital structure and investment-grade credit ratings. The company has a strong balance sheet and sufficient credit lines from banks which enables us to direct growth capital swiftly and invest in long term development of our business for long term value creation. We are proud of being an organisation that has been able to fund significant investments through internal accruals, and has maintained a net debt-free status as of 31st March, 24.

Our capital allocation will always be prudent and frugal, with a strong focus on cash conversion and working capital management. The Working Capital Days stood at (8) days as of March 31, 2024, and our cash and cash equivalent balances were ₹ 209 crores.

The objective of capital allocation is to balance growth investments, shareholder returns, a sound financial structure and long-term value accretion. Due to the absence of significant debt obligations, the available cash will be used to meet the capital expenditure requirements to enhance capacity in existing business segments & invest in new segments linked to our core electronics business.

### Return to Shareholders

With the strong capital allocation discipline, effective working capital management & earnings improvement we were able to increase the ROCE and ROE to 38.0% and 25.2%, respectively, as of March 31, 2024 and we anticipate this will continue to improve in coming years as on account of improvement in earnings & higher asset turns in Mobile & IT Hardware business and continued focus on driving working capital efficiencies.

While we do not have dividend payout targets, we have been consistent in paying dividends to shareholders. A progressive dividend policy is maintained, and we believe that investing for growth and increasing profitability will enhance the value of the company and result in a greater return for shareholders.

**45%**
Revenue Growth

**39%**
EBITDA Growth

**47%**
PAT Growth

**38%**
ROCE%

### Expansion & Diversification

Dixon has always focused on diversifying into new verticals around its core electronics business which has scalability, there is an Anchor customer with possibility of further customer acquisitions, scope for deepening the level of manufacturing, possibility of owning the designing & at some point of time have access to Global Markets & along with all of this generating strong return ratios. With all our anchor customers we work hard to increase the share of their business & new customer acquisitions is a continuous & critical process for us across all of our business segments. In line with our strategy that once we acquire a large scale, the next phase is the deepening of manufacturing, we have finalised our technology partner 'HKC' for manufacturing of display module for both mobiles & IT Hardware & we expect to start the manufacturing in next fiscal year. We are also looking at getting into precision components, mechanicals, various other modules, connectors, cables & are in various stages of discussion with partners. This will help us the acquiring the technical bandwidth & competitive strength, create a moat in the business & also leverage on the proposed component PLI scheme.

Government policy framework & initiatives is also very supportive & aligned towards reducing import dependence, boost exports, create a large component ecosystem & making Indian companies part of the global supply chain at a time when international companies are seeking to expand their footprint beyond China. The company has also benefited from the momentum of domestic manufacturing, which has been aided by government schemes.

### Digital Transformations

Our digital transformation initiatives, including the "Chakra" program & Industry 4.0, have streamlined operations and reduced costs, aligning with our goal of enhancing financial efficiency. Migration of our SAP system to Google Cloud enhanced productivity & ensured 100% uptime, while the "Dixon Drishti" initiative on Qlik improved decision-making and efficiency. Strengthened cybersecurity measures have safeguarded our assets. We have established technology partnerships with global technology leaders like Dassault, Google, Blue Yonder, Siemens, Qlik, Nutanix and others.

### Environmental, Social and Governance

Your company has consistently demonstrated its commitment as a responsible corporate entity by integrating environmental, social, and governance (ESG) principles into our operational framework. We developed a materiality matrix to identify and prioritise key areas for action. The governance of our ESG efforts has been thoroughly reviewed by both the ESG committee and the Board. The ESG Working Group has been responsible for implementing, monitoring, and reporting on our ESG activities. We have established medium- and long-term goals and have reported our ESG performance in our annual report to ensure transparency and provide stakeholders with a comprehensive evaluation of our endeavours.

### Corporate Governance

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

### Takeaways for the readers and the way forward

We strongly believe that we have a platform to sustain revenue & profitability growth moving forward with holistic expansion in the company's portfolio that will create value for all stakeholders of Dixon.

We remain thankful to our esteemed shareholders and diverse stakeholders for their continued trust and support. We are also deeply thankful to our talented team, whose dedication, teamwork, and resilience empower us to achieve our organisational goals. As we steer the Company towards new horizons of growth and market leadership, we are actively shaping an agile and future-ready organisation

**Regards**,

**Saurabh Gupta**
**Chief Financial Officer**

# Chief Legal Counsel & Group Company Secretary Message

For Dixon Technologies (India) Limited, our emphasis continues to be on ensuring transparency and adhering to ethical business practices in order to safeguard the interests of all stakeholders with a long-term perspective.

**Dear Shareholders,**

Our emphasis continues to be on ensuring transparency and adhering to ethical business practices in order to safeguard the interests of all stakeholders with a long-term perspective. We have created a strong corporate governance framework with appropriate disclosures regarding our financial and operational performance as mandated by appropriate regulations.

We acknowledge the importance and necessity of complying with applicable laws of the land of our jurisdiction. Our commitment to ensuring a strong corporate governance mechanism is reflected through zero non-compliance related fines/penalties on our Company.

Our workplace culture is also deeply inclusive and provides equal opportunities to all employees. Our human assets are the catalysts of our sustainable growth and development. I am happy to mention here that we have been bestowed with the Great Place to Work recognition thrice in 3 years, which is a validation of our progressive human resource strategy.

### Together we grow sustainably

Dixon's ESG philosophy is centred around creating a positive impact on the environment and society through sustainable business practices. We are focussed on promoting long-term growth in the economy by incorporating responsible corporate citizenship practices in our business operations.

Our ESG Committee supervises a diverse spectrum of issues — from Biodiversity Management, Pollution Management, Resource Efficiency (including waste and water management) to ensuring Human Rights, Diversity and Inclusion (D&I), Health and Safety of our workforce and improving Community Relations. Periodic audits are conducted to review and monitor the Company's ESG strategy.

We have further expanded our stakeholder outreach through various CSR initiatives in the areas of affordable and accessible housing, health and societal development. We attribute our success to our exceptional teamwork in which every member feels valued, respected, and empowered to achieve their full potential. The Company has launched an Employee Resource Group named IM'POWER, aimed at promoting Diversity and Inclusion in the workplace by contributing through a platform for open dialogue, collaboration and advocacy.

### Robust governance framework

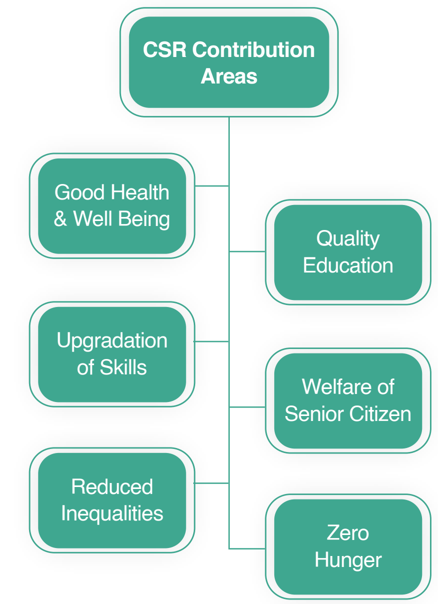
Our corporate governance philosophy is driven by stakeholder interests and focuses on fairness, transparency and business needs. Executing strategy effectively and generating shareholder value over the long term requires high standards of governance, which the Organisation has positively achieved.

Our policies are guided by principles of fairness, transparency and respect, ensuring that all employees are treated equally. Moreover, they reflect our stance on ethical behaviour and compliance with laws and regulations. Our Anti-discrimination and Anti-Harassment Policy serves as the foundation for upholding the principles of respect, dignity and fairness. The key elements of the policy include zero tolerance, clear guidelines and reporting mechanisms with strict accountability. We conduct regular training and awareness programmes to educate the employees on this policy.

### Legal Operations

Our legal team emphasises on a structured approach to operations, beginning with planning, assigning responsibilities and setting priorities. Regular reviews and checks ensure accuracy and compliance with established procedures. We firmly believe in empowering the team to make decisions independently, while acknowledging any mistakes that happen to promote accountability and continuous learning. Mentorship is invaluable to us, and we encourage seeking guidance from experienced mentors who can offer valuable insights and perspectives.

Technology, plays a valuable role in optimising efficiency in our work. We leverage technological tools to streamline repetitive tasks, enhancing productivity. While technology assists with specific tasks, legal decision-making demands human intervention and judgment. Legal matters involve nuanced complexities that require human expertise to navigate effectively.




Our approach balances the smart utilisation of technology and preserving the essential role of human intelligence in providing legal counsel and making informed decisions.

### Citizenship Initiatives

We address local needs through our corporate social responsibility initiatives. We have benefited innumerous individuals, 1000+ senior citizens and provided educational support to 4.5+ lakh students during FY 2023-24.

We strongly believe that no society can prosper without educating its citizens. During the year under review, we have simply walked the talk by allocating 51% of our total CSR expenditure to educational institutions, with an annual growth rate of 58% to the education sector, compared to the previous year. Recognising our contribution to community upliftment and education, Dixon has been conferred with the CSR Leadership Award at the 8th edition of Corporate Social Responsibility Summit and Awards 2023.

### Responsible business practices

As responsible corporate citizens, we are aware of our environmental and societal responsibilities. The key focus areas of our business activities are social-economic development, health and welfare, natural disaster relief and sanitation.

Our SA8000 certification demonstrates our dedication to ethics and social responsibility. The certification has a positive impact on our relationships with stakeholders and enhances their trust in our management systems. It emphasises better productivity and hazard detection, while bolstering our reputation. This makes us more attractive to global customers and makes us eligible for government tenders.

With the ever-evolving business landscape, the type and intensity of risks is changing as well. In order to keep our risk management system updated we conduct periodic review meetings with plant heads of every business segment. Proactive risk management and mitigation ensures that our business model remains resilient to internal and external risks and our stakeholders' interests are adequately safeguarded.

I am grateful to our entire team, whose passion and commitment have enabled us to deliver encouraging outcomes for all our stakeholders. We will continue to invest in upskilling our people and further strengthen our governance framework, with emphasis on diversity and inclusion across various departments and responsibilities.

**We are crafting a sustainable way forward with the help and support of all our stakeholders.**

**Regards,**

**Mr. Ashish Kumar**

**Chief Legal Counsel & Group Company Secretary**

# At the forefront with bespoke solutions

We meet a wide spectrum of customer requirements through a comprehensive product portfolio that spans important segments of the electronics industry.






## Consumer Electronics

### Market standing

**Largest**

Indian Original Design Manufacturing (OEM & ODM) Company in India. Dixon has Sub-Licensing rights for Android and Google TV. Largest Manufacturing Facility in Tirupati, Andhra Pradesh with a capacity of 6.5 Million units p.a.

**First**

Company to get TIZEN license LED TV Capacity in India to address 60% of the outsourced market requirements.

**6.5**
**Million units p.a**

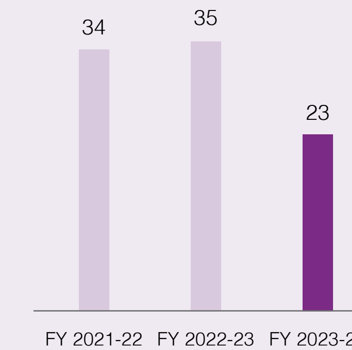
Production Capacity

### Products

- LED TV (32 inches to 98 inches)
- Smart TVs, Monitors, IFPD Commercial displays, Digital signage
- PCB & LCM panel assembly, LED Bar
- Injection molding

### Financial highlights

**Share in revenue** (%)




**20%**

Operating Profit Contribution

**(3)%**

YoY growth in revenue

**54%**

ROCE

### Growth Strategies

- Expansion of ODM and IFPD products;
- TV Monetisation;
- Expand Smart TV (Android/Google TV);
- Backward integration (Local injection moulding, LED bar utilisation expansion);
- Explore commercial display segment
- Strengthen vertical integration.

# Lighting Solutions

### Market standing

**India's largest**

ODM player in lighting solutions

**2000+**

variants of LED Lights.

**200 Million units p.a.**

Production capacity of LED lamps

**40 Million units p.a.**

Production capacity of LED Battens

**20 Million units p.a.**

Production Capacity of LED Downlighters

### Products

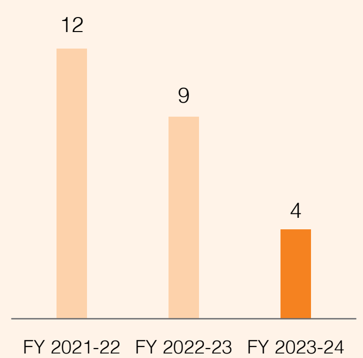
LED Lamps, Battens, Down lighter, 2X2s

Strip & Rope Lighting extended range

Professional lighting- Street Lights, Floodlights, Industry Lighting

### Financial highlights

**Share in revenue** (%)




**8%**

Operating Profit Contribution

**(25)%**

YoY growth in revenue

**23%**

ROCE

### Growth Strategies

- Expand portfolio (strip/rope lighting, professional);
- Lead smart lighting (Bluetooth mesh, Wi-Fi);
- Grow exports;
- Deepen backward integration in Mechanicals.






# Home Appliances

### Market standing

**Largest**

Semi- Automatic Washing Machine (SAWM) manufacturer from the past 2 years

**Wide**

range of models offered with more than 175 odd models in SA and more than 20 models in FATL, catering to domestic as well as international customers.

**0.6 million units annually**

Installed capacity of FATL (Injection moulding/ Press shop/ Assembly Lines)

**2.4 million units annually**

Installed capacity of Semi-Automatic Washing Machine (Injection moulding/ R&D Design, NABL Lab/ Tool Room/ Assembly Lines)

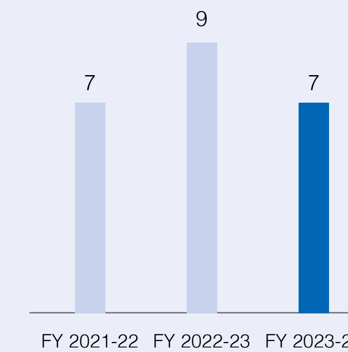
### Products

Semi-Automatic (SA)

Fully Automatic Top Load (FATL)

### Financial highlights

**Share in revenue** (%)




**19%**

Operating Profit Contribution

**5%**

YoY growth in revenue

**34%**

ROCE

Manufactured market share of Dixon

**28% in SAWM and 4% in FATL**

### Growth Strategies

- Expand automatic washing machine client base wherein new customers have been acquired such as Panasonic, Lloyd, Voltbeko, Godrej and Reliance.
- Upgrade testing lab to NABL standards wherein NABL lab has been started.
- Establishment of in-house tool room for mould production which has started in April, 2024. New moulds for Lighting and Washing Machine has started in-house.
- Boost R&D for evolving consumer preferences. New Design Centre Started.
- Automation and Digitisation of Factories.
- Development of Centre of Excellence (COE) for Skill development, which will commence by August, 2024.

# Mobile Phones and EMS

## Market standing

**Fastest**

growing EMS Company by Revenue and Market Gap.

**Strong**

manufacturing capabilities for 4G & 5G phones.

**First company**

to get disbursement under PLI Scheme in the segment.

**40**

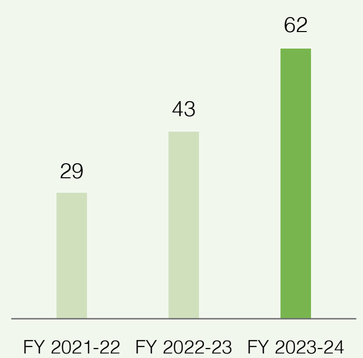
Production capacity of feature phones (in million units annually)

**50**

Production capacity of smart phones (in million units annually)

## Financial highlights

**Share in revenue** (%)




**51%**

Operating Profit Contribution

**109%**

YoY growth in revenue

**59%**

ROCE

**60%**

Share in Mobile EMS Market

## Growth Strategies

- Growth Strategies
- Secure new mobile phone brands
- Expand manufacturing for rising demands
- Backward Integration and Localisation
- Robotics and Automation
- Development of Smart factory

## Products

Mobile Phones (Feature and Smart)

# Security Surveillance Systems

## Market standing

**Largest**

manufacturer in the Indian security surveillance space.

**Exclusive**

manufacturer for leading CCTV brands in India.

**10.10 Million units p.a.**

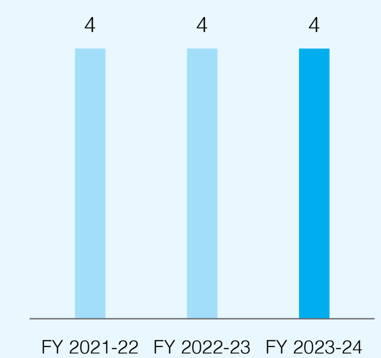
Production capacity of CCTV

**2.15 Million units p.a.**

Production capacity of DVR

## Financial highlights

**Share in revenue** (%)




**2%**

Operating Profit Contribution

**29%**

YoY growth in revenue

**20%**

ROCE

**45%**

Manufactured market share of Dixon

## Growth Strategies

- Expand security surveillance system capacity from 12.25 Million to 21.6 Million units p.a.
- Expanding for localisation of PCB Board, Moulding & IR cut (Backward Integration).

## Products

Security Camera

DVR

# Emerging businesses

## Telecommunication and Networking Products

The Telecom business in collaboration with Bharti group through 51:49 Joint venture and we are producing Telecom products in large quantities.

There is a very strong order book for the Telecom devices so we are investing more in line with our PLI commitments to enhance further the installed capacities. In this segment we shall also be starting the 5G FWA devices production in Q1 FY 25.

We have also achieved the thresholds of CAPEX & minimum revenue of 1st year under the PLI scheme.

**8**
**million units annually**

**Production capacity**

## Set top box

In the set-top box segment we have set up large scale manufacturing facility for production of set-top boxes and are currently catering to all major Indian brands in the market.

During the year under review, we have also bagged a very large order of HD and Internet Set top boxes in partnerships with global ODMs.

**8**
**million units annually**

**Production capacity**

## IT Hardware

We have developed a separate manufacturing section for laptops and tablets, taking advantage of the Production Linked Incentive (PLI) Scheme. We have built IT hardware production to meet the domestic demand and pursue global alliances, demonstrating our commitment to diversification in the electronics industry.

**0.6**
**million units annually**

**Production capacity**

**Products offered**

Laptops Desktops Tablets

## Wearables and hearables

We are expanding ourselves into the dynamic wearables and hearables market. In collaboration with Imagine Marketing, we design and manufacture innovative products such as TWS earbuds and neckbands. Recognising the growing demand for wireless connectivity, we have established a dedicated facility for producing Bluetooth speakers and smartwatches. We have established state of the art facility for SMT, Final assembly, Testing, packing, Outgoing inspection and having MES enabled Process Interlocking & Traceability. The MES system has been enabled across all lines.

**36**
**million units annually**

**Production capacity**

## Refrigerators

Dixon's wholly owned subsidiary- Dixon Electro Manufacturing Private Limited has commenced its commercial production for manufacturing of Refrigerators (175 Litres and 235 Litres) from its energy efficient state of art manufacturing facility equipped with latest technology, situated at Plot No. 14, Ecotech-VIII, Greater Noida-201310, Uttar Pradesh which is more than 10% of Indian requirement. In this segment, we are developing an in-house product testing facility whose accreditation is in process and audit has been done by the Government Assessors. We have also established MES systems with respect to brand production/ stock & plan accesses.

**1.2**
**million units annually**

**Production capacity**

# We have embedded the highest standards of governance in our operations and culture.

**After identifying core material issues by engaging with all stakeholders, we have put in place a holistic compliance framework and an integrated governance structure. This entails a strong commitment to global ESG disclosures to promote transparency and accountability.**

# Corporate Governance

Our ethical principles, strong values and professional culture form the bedrock of our governance framework and philosophy. With a sharp focus on long-term sustainability, the Board acts as custodian of stakeholder value creation. Highest standards from our global corporate governance practices are integrated into our growth strategy, ensuring transparency and accountability across all operations. This commitment safeguards stakeholder interests, while the Board oversees critical areas such as compliance, risk management and future planning.

## Board of Directors

### Mr. Sunil Vachani
Executive Chairman

**Mr. Sunil Vachani** is currently the Executive Chairman of our Company. He holds a degree of Associate of Applied Arts in business administration from the American College in London. He is also the Promoter of our Company and has been associated with us since inception. He is responsible for our Company's growth and business development. He has over 30 years of experience in the EMS industry. He has been awarded the "Man of Electronics Award" by CEAMA in 2015, the "Outstanding Citizen Award 2012" by the Sindhi Chamber of Commerce and one of the "Top 100 people influencing EMS" in 2012 by the ventureoutsource.com. He has held multiple positions some of which are Chairman of the Electronics and Computer Software Export Promotion Council of India and Co-Chair of the CII ICTE Committee. He has also been elected as President (South) of Consumer Electronics and Appliances Manufacturers Association ("**CEAMA**"), for the term 2021-23. He has recently been conferred with the Champion Award for Aatma Nirbhar Bharat. He has been conferred with 'Entrepreneur of the Year award by Forbes India under Forbes Leadership Awards 2024'. He has also been bestowed with the prestigious 'EY Entrepreneur of the Year™ 2021' award.



### Mr. Atul B Lall
Vice Chairman & Managing Director

Mr. Atul B Lall, is the Managing Director and Vice Chairman of Dixon Technologies (India) Limited. He holds a Master's Degree in Management Studies from the Birla Institute of Technology and Science, Pilani. He has been leading Dixon Technologies since foundation and built it to its current leadership position in the EMS Industry. He is responsible for Dixon's overall strategy and business operations. Apart from serving as board members on other group companies of Dixon Technologies, he is also serving as an Independent Director on the Board of Happy Forgings Limited and Max Estates Limited. With over 30 years of experience in the EMS industry, his forte is in introduction of new segment lines and rolling out expansion strategies. 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 is an avid reader and has also authored the book, 'Gita and India Inc.'. He has also been elected as President of the Electronic Industries Association Of India ("ELCINA"). Mr. Lall has been conferred with the MAN OF ELECTRONICS BY CEAMA (Leading Industry Body Association) for 2022. He is also on the governing board of Plaksha University.

### Mr. Manoj Maheshwari
Independent Director

Mr. Manoj Maheshwari, is a Non-Executive Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. He also holds a Post Graduate Diploma in Business Administration from Symbiosis Centre for Distance Learning. The director has close to more than 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.

## Ms. Poornima Shenoy

Independent Director

Ms. Poornima Shenoy is a Non-Executive independent director of our Company. She brings over three decades of senior leadership experience as an entrepreneur and a prominent industry figure. She is, the CEO of Hummingbird Advisors that works with young technology companies. She has been the founding President of the India Electronics & Semiconductor Association IESA and has conceptualised the formation of the Electronic Sector Skills Council of India ESSCI. She is a British Chevening scholar for Women in Leadership and Management from the University of Bradford and has done a Management Development Program at the University of Michigan at Ann Arbor. She is passionate about building high performance teams and is a recognised mentor. She has done her BA from Bangalore University and MBA from TAPMI, Manipal. She has been certified as an Independent Director by the Indian Institute of Corporate Affairs IICA.

## Dr. Manuji Zarabi

Independent Director

Dr. Manuji Zarabi, is a Non-Executive Independent Director of our Company. He holds a degree of Doctor of Philosophy from the Indian Institute of Science, Bangalore. He was associated with Semiconductor Complex Limited, a Government of India Enterprise for over 25 years and retired as its Chairman cum Managing Director in August 2005. He was also a member of the working group on development of R&D and IP in electronics formed at DeitY.

## Mr. Keng Tsung Kuo

Independent Director

Mr. Keng Tsung Kuo is a Non-Executive Independent Director of our Company. He has over 30 years of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalisation Strategy, Change Management and Leadership & Management. Mr. Kuo holds Master of Electrical Engineering from National Taiwan University and has also done his Executive MBA from National Taiwan University. Earlier he had been associated with Global conglomerates such as Hewlett-Packard Taiwan LTD and has also served in key positions in elite corporations such as United Microelectronics Corp, Lam Research Co., Ltd. and MediaTek Inc. He has also served as an Adjunct Professor in National Taiwan University.





## Dr. Rakesh Mohan

Independent Director

Dr. Rakesh Mohan is a Non-Executive and Independent Director of Dixon Technologies (India) Limited. He 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, 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'. He has a 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.

## Mr. Arun Seth

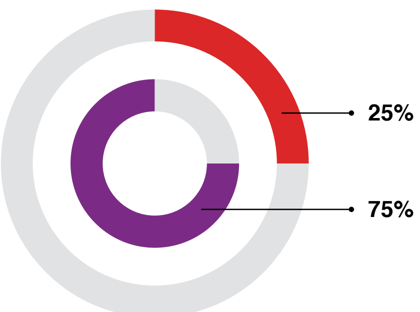
Independent Director

Mr. Arun Seth is a Non-Executive and Independent Director of Dixon Technologies (India) Limited. He is an alumnus of IIT Kanpur and IIM Calcutta. He has more than 45 years of experience in senior commercial positions in BT, Alcatel , HCL . Mr. Seth started as the founding MD of British Telecom in India in 1995 and built it to its current leadership position in managed telecom services and outsourced IT and back office operations. He has also helped incubate both Airtel and Mahindra BT in mid-90's into what now is the global Airtel and Tech Mahindra . He had been very active with Government and Regulators on shaping Telecoms Policy and IT policy by being an elected member of Nasscom for more than a decade. He is currently serving as an independent Director on the board of companies like, Jubilant Pharmova Ltd, Jubilant Ingrevia Ltd. Also, he is in the Board of Kent RO Ltd., Usha Breco Ltd., Sify Technologies Ltd., Tonetag and Ixigo and has served Narayana Health board for 8 years . He is an active investor advisor to disruptive tech companies like Global ad Network (Inmobi) which he incubated in 2007 and became India's first unicorn and also created a second unicorn (Glance). He works with many disruptive tech companies to help them scale up in the Indian market many of whom like Nutanix etc have become multibillion dollar global companies. He is extremely active on NGO and Education boards and is a co-founder of India's leading NGO in livelihoods The Nudge Institute , an advisor to Give India. He is also a Governing Member of HelpAge India Board, SPIC-MACAY, NCPEDP (Employment for Disabled people). He was chairing Nasscom Foundation till 2019 which drives CSR initiatives across the IT Industry using tech for scaling good.

## Composition of Directors

**Number of Directors**

- Executive Directors / **2** /
- Non-Executive - Independent Directors / **6** /




## Present Tenure of Directors

**Number of Directors**

| <2 years | 2-5 years | >5 years |
|---|---|---|
| Nil | Nil | 8 |

**11.4 years**

Average tenure of the Board

**75%**

Independent Board of Directors

**88%**

of the Directors attended the Board Meeting

**100%**

Meetings attended by the Company Directors

**33.44%**

Share capital holding by the Promoter of the Company along with promoter group

**Mr. Sunil Vachani**
Executive Chairman

Number of Equity Shares
**37,11,411**

Multiple of base salary
**815.44**

**Mr. Atul B. Lall**
Vice Chairman & Managing Director

Number of Equity Shares
**20,95,585**

Multiple of base salary
**482.05**

**3.25 Crores (on Standalone basis)**

The annual compensation for the MD/CEO (excluding Commission)

**4.05 Lakhs**

Median annual remuneration of all other employees of the Company

**72.22**

Ratio of MD/CEO compensation to Median annual compensation of employees

## Board Performance Evaluation

Annually, the Board, along with Independent Directors, undertakes a comprehensive assessment of its collective performance, including Committees, the Chairman of the Board, and Independent Directors. Performance evaluation questionnaires are distributed anonymously among Board and Committee Members to gather their feedback, facilitating an impartial review process. Following this, the Board meticulously evaluates and analyses the ratings to ensure effective performance evaluation.

## Board Election Process

Furthermore, the Nomination and Remuneration Committee is tasked with identifying suitable candidates for Director positions, emphasising qualifications, positive attributes, experience, knowledge, skills, and independence. This process is guided by a robust Nomination and Remuneration policy, ensuring a consistent and transparent approach.

## Governing Policies

**List of Policies adopted by the Company**

- 3TG and Conflict of Minerals Policy
- Policy of Anti Bribery & Anti-Corruption policy
- Policy of Anti-Discrimination and Non-Harassment
- Risk Management policy
- Policy on Determination of Materiality of Events and Information
- Code of Conduct for Independent Directors
- Whistle Blower Policy
- Corporate Social Responsibility policy
- Terms of appointment of Independent Director
- Insider Trading Policy
- Business Responsibility Policy
- Dixon Quality Policy
- Dixon Environmental Policy
- Code of Conduct
- Preservation of Documents and Archival Policy
- Related Party Transaction (RPT) Policy
- Familiarisation Programme for Independent Director
- Nomination and Remuneration policy
- Policy on Material Subsidiary
- Dividend Distribution Policy
- Policy on Board Diversity
- Occupational Health & Safety (OH&S) Policy
- Dixon Privacy Policy
- Biodiversity Policy
- Board Evaluation Policy
- Stakeholders Engagement Policy
- Conflict of Interest Policy
- Succession Planning Policy

### Code of Conduct

We are committed to conducting business with the highest ethical standards. This Code of Conduct lays forth the essential principles that govern our daily operations and interactions. We believe that conducting business with dignity and in obedience to all current rules and regulations is critical to our ongoing success.

This Code is applicable to all our direct and indirect employees, as well as our commercial relationships (including the Board of Directors). It acts as a guideline for their behaviour, whenever they represent or interact with the Company. Adherence to this Code ensures that we act with reliability, credibility and sincerity in all our pursuits.

### Anti-Bribery and Anti-Corruption Policy

Dixon Technologies is committed to upholding the highest ethical principles. As part of this commitment, we have implemented a strong anti-bribery and anti-corruption policy. This Policy shows our zero-tolerance approach to any fraudulent action.

The Policy has been created in line with the Prevention of Corruption Act of 1988 (and its most recent modifications) and other applicable legislations. It underlines our commitment to combating bribery and corruption and offers clear guidelines to our workers and external collaborators in such circumstances. This ensures openness and ethical practices in all our commercial transactions.

### Terms of the Appointment of Independent Directors of Dixon Technologies (India) Limited

The appointment of Independent Directors at Dixon Technologies (India) Limited is for a term of five consecutive years. Independent Directors are exempt from retirement by rotation at each Annual General Meeting. They are expected to comply with the Board's reasonable directions and participate in Board and Committee meetings.

Independent Directors have duties to the company and its investors, with restrictions on dealing in company shares once listed. They are expected to prepare for and attend meetings, familiarise themselves with company operations, and perform their statutory and fiduciary duties diligently. Directors must adhere to relevant laws, including the Companies Act, 2013, and SEBI Listing Regulations by accepting the appointment, they confirm their ability to dedicate sufficient time to their role.

### Whistle Blower Policy

We believe in maintaining the highest levels of competence and trustworthiness in all our business transactions.

This Whistle blower Policy allows all stakeholders, including Board members, employees, contractors, and suppliers to confidentially disclose any suspected misbehaviour or possible infractions of our Code of Conduct or applicable laws. We encourage honest disclosure without fear of retaliation and ensure swift investigation all reported concerns. During the year 2023-24, no incidents of whistle blower has been reported by the Company.

### Policy on Succession Planning

Dixon Technologies recognises the value of growing the leadership team proactively. A well-defined succession plan ensures that the Company's operations run smoothly and sustainably for many years.

In compliance with the SEBI Listing Regulations we have developed a comprehensive Succession Planning Policy. This Policy establishes an extensive structure for identifying, training and preparing future leaders for essential positions on the Board, senior management and other key responsibilities.

### Group Wide Tax policy

The Company abides to all the guidelines, provisions, rules and regulations applicable to it under various tax laws applicable to it, wherein Company ensures Compliance, transparency, Transfer pricing, tax haven etc.

## Board of Directors Committees

### Audit Committee

The Audit Committee plays a vital role in safeguarding the integrity of our financial reporting. It accomplishes this by:

**Overseeing Financial Statements and Internal Audits:** The committee monitors the drafting and presentation of financial statements, ensuring that they are complete, reliable and in accordance with accounting standards. They also examine internal audit reports to determine the efficacy of internal control mechanisms and risk management processes.

**Informing the Board of Directors:** The Audit Committee updates the Board on its judgments and conclusions for financial reporting and risk management. This allows the Board to make sensible decisions in these crucial areas.

**Chairman**

**Mr. Manoj Maheshwari**
Independent Director

**Members**

**Ms. Poornima Shenoy**
Independent Director

**Dr. Manuji Zarabi**
Independent Director

### Nomination & Remuneration Committee

We are focused on promoting effective corporate governance practices. This dedication is evident in the formation of a specialised Nomination and Remuneration Committee.

**Composition and Responsibility:** The Committee has four members, one Executive Director and three Non-Executive Directors, to ensure a balanced perspective. It complies strictly with the applicable rules of the Companies Act of 2013 and the SEBI Listing Regulations.

**Key Function:** Identifying and recommending qualified individuals to the Board for roles as Directors or Senior Management.

**Chairperson**

**Ms. Poornima Shenoy**
Independent Director

**Members**

**Mr. Sunil Vachani**
Executive Chairman

**Dr. Manuji Zarabi**
Independent Director

**Mr. Manoj Maheshwari**
Independent Director

### Corporate Social Responsibility Committee

We understand the value of incorporating social responsibility into our basic business operations. This commitment is reinforced by the formation of a specialised Corporate Social Responsibility (CSR) Committee.

**Composition and Mandate:** The Committee consists of two Executive Directors and one Non-Executive Director, promoting an integrated approach to CSR efforts. Its mandate is consistent with Section 135 of the Companies Act of 2013 and the accompanying rules, ensuring adherence to legal frameworks.

**Key responsibilities:**

- Formulating the Company's CSR policy in accordance with the Act and Rules
- Recommending Dixon Technologies' important CSR efforts
- Estimating the budget for CSR efforts
- Monitoring the development and efficacy of these efforts

**Chairperson**

**Mr. Sunil Vachani**
Executive Chairman

**Members**

**Mr. Atul B Lall**
Vice Chairman & Managing Director

**Dr. Manuji Zarabi**
Independent Director

### Stakeholder Relationship Committee

This Committee promotes transparent communication with stakeholders across various groups. By understanding their interests and concerns, the Committee strives to:

**Addressing stakeholder grievances:** We have developed a structure that outlines communication routes for stakeholders to express their issues and seek resolution.

**Incorporating stakeholders' perspectives:** We appreciate opinions from stakeholders and consider them when developing our overall company strategy.

**Chairman**

**Dr. Manuji Zarabi**
Independent Director

**Members**

**Mr. Atul B Lall**
Vice Chairman & Managing Director

**Mr. Sunil Vachani**
Executive Chairman

### Risk Management Committee

We are committed to proactive risk management practices. As such, we have established a Risk Management Committee in accordance with the SEBI Listing Regulations.

**Committee's mandate:** The Committee's function and duties are consistent with SEBI Listing Regulations, Section 178 of the Companies Act of 2013 (as amended) and SEBI Listing Regulations and other applicable laws and regulations. These rules ensure that risks are pro-actively identified, mitigated and monitored in a comprehensive manner.

**Delegated authority:** The Board of Directors may delegate additional functions to the Committee as needed to strengthen its strategic stance to risk mitigation.

**Chairman**

**Mr. Atul B Lall**
Vice Chairman & Managing Director

**Members**

**Mr. Manoj Maheshwari**
Independent Director

**Mr. Keng Tsung Kuo**
Independent Director

Apart from the said mandatory committees, the Company also has some non-mandatory committees such as:

a) ESG Committee

b) Share Allotment Committee

c) Executive Committee

d) Research & Development Committee

The roles, responsibilities, composition and other details of the said committees are mentioned in the Corporate governance report section of Annual Report.

## Management Team

**Mr. Sunil Vachani**
Executive Chairman

**Mr. Atul B Lall**
Vice Chairman & Managing Director

**Mr. Saurabh Gupta**
Chief Financial Officer (CFO)

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

**Mr. Abhijit Kotnis**
President & COO (Consumer Electronics) & CHRO

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

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

**Mr. Kamlesh Kumar Mishra**
President- Mobile

**Mr. Sukhvinder Kumar**
Chief Executive Officer Telecommunications

**Mr. Amit Mittal**
Sr. Vice President (Lighting Business)

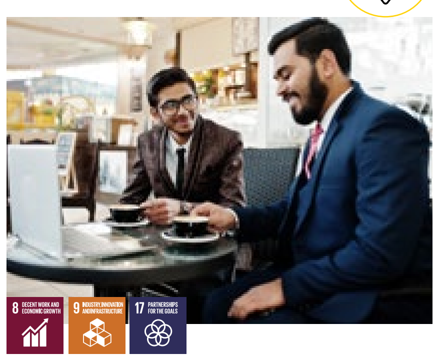
# Listening to stakeholders, growing collectively

At Dixon Technologies, we recognise that our long-term success is intricately linked to the well-being of those we interact with, from employees and investors to partners and communities.

We are devoted to establishing a space of open interaction and cooperation. Using this approach, we hope to address stakeholder issues, incorporate useful ideas, and eventually produce shared benefits for all those involved in our journey.

## Fraternity of stakeholders

### Shareholders and investors



### Business Partners and Suppliers

### Customers

### Employees

### Communities

### Regulatory Bodies and Government

## Shareholders and Investors

### Why are they important to us?

- Retail shareholders and institutional investors are the source and foundation of our core capital structure
- We prioritise open communication to ensure informed investment decisions.

### What matters to our shareholders and investors?

- Constant growth in both profits and revenue
- Timely revelation of relevant information
- Regular dividend payouts and a strong balance sheet
- Strong risk management framework.
- Efficient problem-solving
- Business resilience and agility
- Transparent and effective communication

### How do we engage?

- Annual general meetings
- Quarterly investor calls and presentation
- Annual report
- Press release
- Website updates
- Stock exchange releases
- Investors/ analysts meets

SDG

## Business Partners and Suppliers

### Why are they important to us?

- A network of important partners that support our activities, such as suppliers, lenders and landlords.
- They serve as a base of our value chain and create a direct impact on our capacity. This is a crucial aspect for our organisation's value chain, leading to prompt delivery of goods and services.

### What matters to our business partners and suppliers?

- Explicit and established terms that outline duties and obligations
- Consistent and trustworthy payment plans for financial stability
- Fair trade norms, ethical sourcing and commercial terms.
- Collaboration on quality, cost reduction and delivery efficiency
- Collaboration for new product development and market expansion potentials
- Consistent delivery schedules to reduce disruptions and maximise production

### How do we engage?

- Periodic supplier reviews, audits
- E-mails
- Site Visits
- One-to-one Interactions
- Business partner survey
- Regular structure meetings

SDG

## Customers

### Why are they important to us?

- Our success is based on the company's competence in delivering high-quality goods to end consumers.
- We attempt to address a vast variety of client requirements through an extensive product line.

### What matters to our customers?

- Fair return on investments
- Regular updates on new products and capabilities and operational efficiency
- Recognition of the value of lead time and efficient order fulfilment
- Focus the creation of high-quality items
- Product improvisation by value addition
- Competitive pricing in line with market trends
- Security and privacy of sensitive information

### How do we engage?

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

SDG

## Communities

### Why are they important to us?

- We cherish the communities in which we operate and actively participate in their development through social responsibility activities.
- We interact with these areas through a variety of activities designed to make a positive social impact.

### What matters to our communities?

- Improvement of the entire social well-being of the communities we serve.
- Community value creation
- Eco-friendly measures to reduce our environmental impact and contribute to a healthy environment.
- Creation and promotion of job opportunities in the communities we operate.
- Protect and regenerate nature

### How do we engage?

- ESG Committee chaired by Vice Chairman and Managing Director forming a robust governance process
- ESG Materiality processes
- Focus group discussions.
- One-on-one interactions
- Media
- Website
- Through third parties like NGOs

SDG

## Employees

### Why are they important to us?

- Achievements and progress of the Company depends on Employees
- Key stakeholders and an important assets to the Company

### What matters to our employees?

- Learning,development and career growth opportunities
- Health, safety and well being
- Diversity, equity and inclusion
- Competitive incentive structures that recognise individual contributions
- Opportunities for professional development and advancement
- Timely and fair compensation
- Safe, respectful, and inclusive work environment that encourages collaboration and well-being.

### How do we engage?

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

SDG

## Regulatory Bodies and Government

### Why are they important to us?

- We frequently interact with regulatory agencies to remain abreast of industry regulations and help shape future policies.
- This collaboration guarantees our operations are compliant and contribute significantly to growth in the company.

### What matters to our regulatory bodies and government?

- Timely and accurate data
- Compliance with industry norms, laws, and regulations
- Employment generation
- Regular participation in industry forums to share knowledge and work together on solutions
- Contribution to fiscal revenue through tax payment

### How do we engage?

- Reports
- One-on-one Interaction
- Events
- E-mails
- Letters

SDG

# Evaluating material issues meticulously

We conducted a thorough materiality assessment exercise to determine, which topics were most significant for stakeholders and their potential impact on our value creation approach.

## Materiality determining approach

**Identification of stakeholders**

Stakeholder groups have been formed, including investors, customers, and employees.

**Evaluating standards & framework**

Review of internationally recognised standards/frameworks, including SASB, MSCI, and BRSR (essential indicators).

**Online Materiality Survey**

Selected stakeholders completed online surveys to determine their materiality preferences.

**Diagnosis Assessment**

Assess material issues based on peer and stakeholder preferences, and score accordingly.

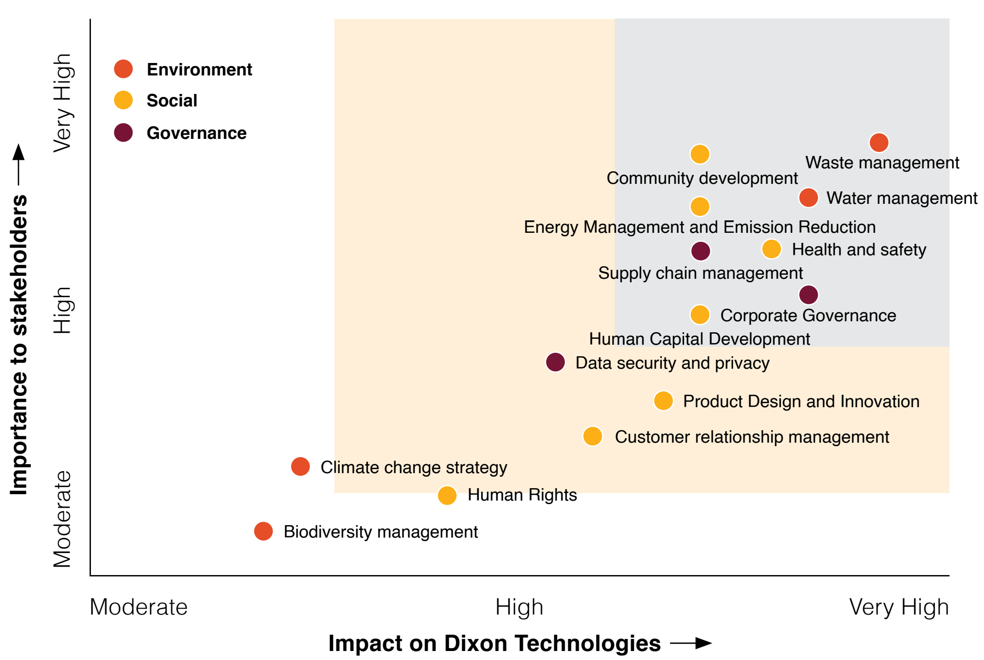
**Materiality Mapping**

The final scores are mapped based on Dixon and other stakeholders, and a scatter plot is created to highlight material difficulties for Dixon.

**Final Materiality Matrix**

The materiality matrix is finalised.

## Dixon's Materiality Matrix




| Rank | Material Topics |
|---|---|
| 1 | Waste management |
| 2 | Water management |
| 3 | Health and safety |
| 4 | Community development |
| 5 | Human Capital Development |
| 6 | Corporate Governance |
| 7 | Energy Management and Emission Reduction |
| 8 | Supply chain management |
| 9 | Data security and privacy |
| 10 | Product Design and Innovation |
| 11 | Customer relationship management |
| 12 | Human Rights |
| 13 | Climate change strategy |
| 14 | Biodiversity management |





## Material Topics

### Waste Management

- We use a methodical approach to waste management, which includes collection, storage, transportation, and proper disposal or recycling.
- We are constantly working to improve product design to reduce end-of-life trash generation.
- We are dedicated to lowering our environmental impact by aggressively utilising recyclable materials and developing new ways to maximise product consumption and minimise waste.
- Our commitment to appropriate waste management shows our focus towards environmentally friendly industrial techniques.

**KPIs**

- Waste Managing Strategy
- Packaging Waste

### Water Management

- Throughout our operations, we encourage sustainable water management, encouraging water conservation and effective use.
- We are pursuing strategies to reduce our overall water usage and reliance on natural resources.
- We have adopted rainwater harvesting methods in some of our plant locations to reduce water intensity.
- We are committed to continual initiatives to reduce water consumption, which are tracked using water intensity measures.

**KPIs**

- Water Withdrawal
- Water Discharge
- Groundwater Recharge

### Health and Safety

- We are dedicated to creating an appropriate working atmosphere for all of our employees.
- We detect and handle possible hazards on time to reduce workplace risks.
- We emphasise worker security by providing thorough training programs and taking preventative actions to reduce accidents and injuries.
- We strive for constant improvement in our health and safety standards to ensure our employees' well-being.

**KPIs**

- Occupational Health & safety practices
- Non-Occupational Health & Safety Practices

## Community Development

- We work with local communities to comprehend their requirements and co-create solutions that enhance their social and economic wellbeing.
- Throughout the year, we undertake strategically planned Corporate societal Responsibility (CSR) projects to address critical societal concerns in our communities.
- We are dedicated to promoting the long-term social and economic development of the communities in which we operate.

**KPIs**

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

## Human Capital Development

- We prioritise human capital development by investing in skill-building programs and knowledge upgrades. This guarantees that our staff is well-prepared to succeed in their professions.
- We promote a culture of employee involvement through a variety of programs. This encourages our employees and instils a sense of ownership.
- We are devoted to providing chances for continual learning and development so that our people can attain their maximum potential.
- We believe in fostering an inclusive work environment honouring workers' unique talents.

**KPIs**

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

## Corporate Governance

- In all our commercial dealings, we maintain honesty and transparency.
- Compliance is our priority, and we strictly adhere to all applicable rules and regulations.
- We communicate openly with our stakeholders and making ethical and timely disclosures for public.

**KPIs**

- Code of conduct & ethics
- Transparency in disclosures
- Risk Management

## Data Security and Privacy

- We put data security first by creating a robust information security and control system.
- We are dedicated to securing user data, including that of our company's associates and staff, from unauthorised access, breaches, and theft.
- We take proactive steps to identify and address any data security threats to our firm and its stakeholders.

**KPIs**

- Information Security and Control System

## Energy Management and Emission Reduction

- We realise the necessity of energy efficiency in our product development process.
- We are devoted to researching and implementing solutions to shift to renewable energy sources.
- We are aggressively pursuing projects to minimise greenhouse gas emissions, which will contribute to a cleaner future.

**KPIs**

- Energy Efficiency
- Energy / Fuel Transition
- Emission Reduction

## Product Design and Innovation

- We focus on product design and innovation to address changing consumer needs and improve user experiences.
- We are devoted to creating and using sustainable technology in our goods to promote inclusivity and long-term success.
- Our devoted Research and Development team is constantly exploring innovative concepts and new product designs.
- We promote a culture of continual improvement to keep our products at the leading edge of innovation and user experience.

**KPIs**

- Process Innovation
- Usage of Technology

## Customer Relationship Management

- We focus on building robust, lasting relationships with our customers, considering them central to our value creation.
- We believe in transparent interaction and engagement with our customers, aiming to produce mutually beneficial results.
- We strive to enhance our customer experience through continuous innovation and exceptional services.

**KPIs**

- Customer Engagement
- Customer satisfaction / feedback system

## Supply Chain Management

- We emphasise on seamless flow of goods and services throughout our supply chain, leading to in timely delivery and increased production efficiency.
- We are dedicated to responsible procurement, promoting ethical and sustainable practices throughout our supplier network.
- We urge our suppliers to use sustainable production processes, which reduce environmental impact and promote responsible resource management.
- We strive for clarity and traceability across our supply chain to ensure secure sourcing and ethical labour practices.

**KPIs**

- Supplier Assessment
- Responsible Sourcing

## Human Rights

- We strive to upload the principles of human rights as outlined in the United Nations Declaration of Human Rights.
- We treat everyone with dignity and respect, and strive to create a discrimination-free workplace.
- We promote ethical sourcing standards across our supply chain to ensure compliance with human rights values.

**KPIs**

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

## Biodiversity Management

- We understand our reliance on a healthy environment and try to maximise the use of biological resources.
- We actively strive to preserve biodiversity in the areas around our operations, reducing any potential environmental damage.

**KPIs**

- Biodiversity Conservation
- Biodiversity Restoration

## Climate Change strategy

- We endeavour to constantly monitor and enhance our climate change mitigation activities.
- We include climate factors into our whole business strategy to ensure long-term viability and environmental responsibility.
- We are dedicated to developing programs that will cut greenhouse gas emissions and minimise the effects of global warming including plantation of trees.

**KPIs**

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

# A robust model for sustainable value creation

## Inputs

### Financial Capital

**4,47,519** - Market Capitalisation (₹ in Million)

**1,126** - Long term borrowing (₹ in Million)

**38%**- ROCE

### Manufactured Capital

**5,686** - Capex (₹ in Million)

**22** - manufacturing units

**1** - Corporate office

### Intellectual Capital

**100** - Employees in R&D

**6** - R&D Centres

**4** - years average experience in the R&D team.

### Human Capital

**3923** - Total permanent employees

**0.56** - Spent on training (₹ in million)

**256** - hours training

### Social and Relationship Capital

₹ **56.3** million CSR Expenditure

**2,52,843** shareholders

### Natural Capital

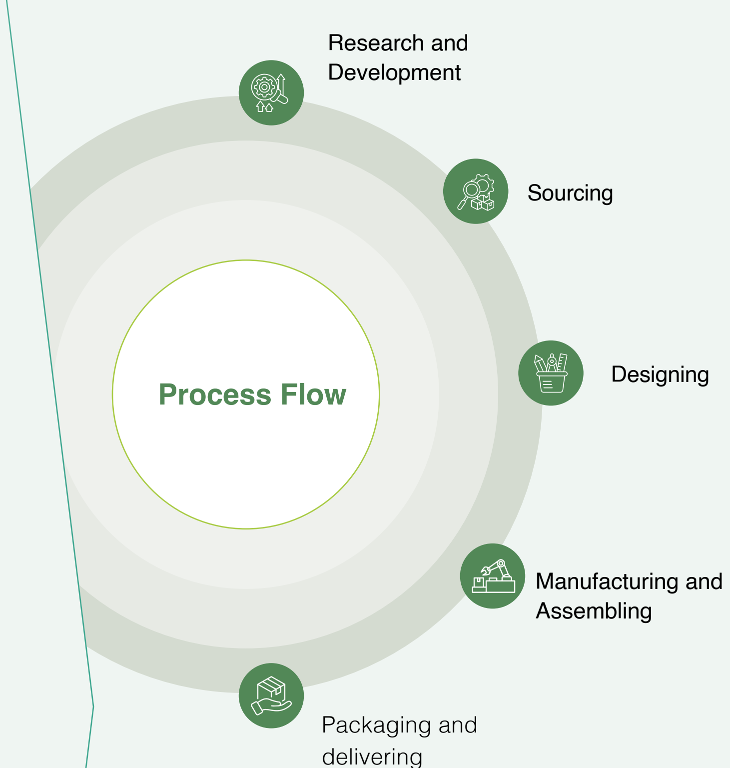
Energy Consumption - 118,680 GJ

Land

Water consumption - 309205 KL

(on standalone basis)

## Process




### Key Strengths

- State-of-the-art manufacturing facilities
- Strong capabilities, minimal lead times
- Strong brand partnerships
- Advanced R&D
- Domestic & international presence

### SDG

## Outputs

### Financial Capital

**7,202** - EBITDA (₹ in Million)

**3,749** - PAT (₹ In Million)

**2.1%** - PAT margin

**(0.03)** - Net Debt-equity ratio

### Manufactured Capital (Million units annually)

**6.5** - LED TV
**200** - LED Lamps
**40** - LED Battens
**20** - LED Downlighters
**0.6** - FATL
**2.4** - SAWM
**40** - Featured phones
**50** - Smart phones
**10.10** - CCTV
**2.15** - DVR
**8** - Telecom
**8** - Set-top-box
**0.6** - IT hardware
**36** - Wearables and Hearables
**1.2** - Refrigerators

### Intellectual Capital

Product Diversification

Technological Innovation

### Human Capital

**37.94%** YoY increase in permanent employees

**12%** YoY increase in contractual employees

**8876** - hours of training and development

### Social and Relationship Capital

360 degrees Customer Solutions

Empowering children and seniors through CSR activities

### Natural Capital

ISO 14001:2015, ISO 9001:2015 Certified Company
Restricted usage of hazardous materials
Mercury (Hg)
Lead (Pb)
Hexavalent Chromium (Cr6)
Polybrominated Diphenyl Ether (PBDE)
Cadmium (Cd)
Polybrominated Biphenyls (PBB).

## Outcomes

### Financial Capital

- Sustainable Returns
- Financial Strength
- Stakeholder Value Creation
- Profitable Growth
- Efficient Cash Management

### Manufactured Capital

- Strategic Partnerships
- Cost Optimisation
- Export Growth
- Uncompromised Quality
- Safety and Security Focus
- Operational Excellence
- Strategic Sourcing

### Intellectual Capital

- Operational excellence through innovation
- Digital Transformation

### Human Capital

- Upskilling Initiatives
- Workplace wellness
- Diversity and Inclusion
- Positive work environment
- Talent retention

### Social and Relationship Capital

- Promoting Literacy & Education
- Creating employment opportunities
- Stakeholder engagement

### Natural Capital

ISO 14001:2015, ISO 9001:2015 Certified Company
Sustainability Initiatives
Renewable Energy Focus

# Committed to Holistic Sustainability

Becoming **Carbon Neutral** by 2035

**Solar energy** consumption

14.6% of Total Energy Consumption (on Standalone basis)

CSR Expenditure- **56.3 Million**

**Anti-Bribery** and **Anti-Corruption** Complaints- Nil

**Ethics** and **Integrity-** Zero Complaints

**Data Security** Complaints- Nil

# A sustainable pathway to progress

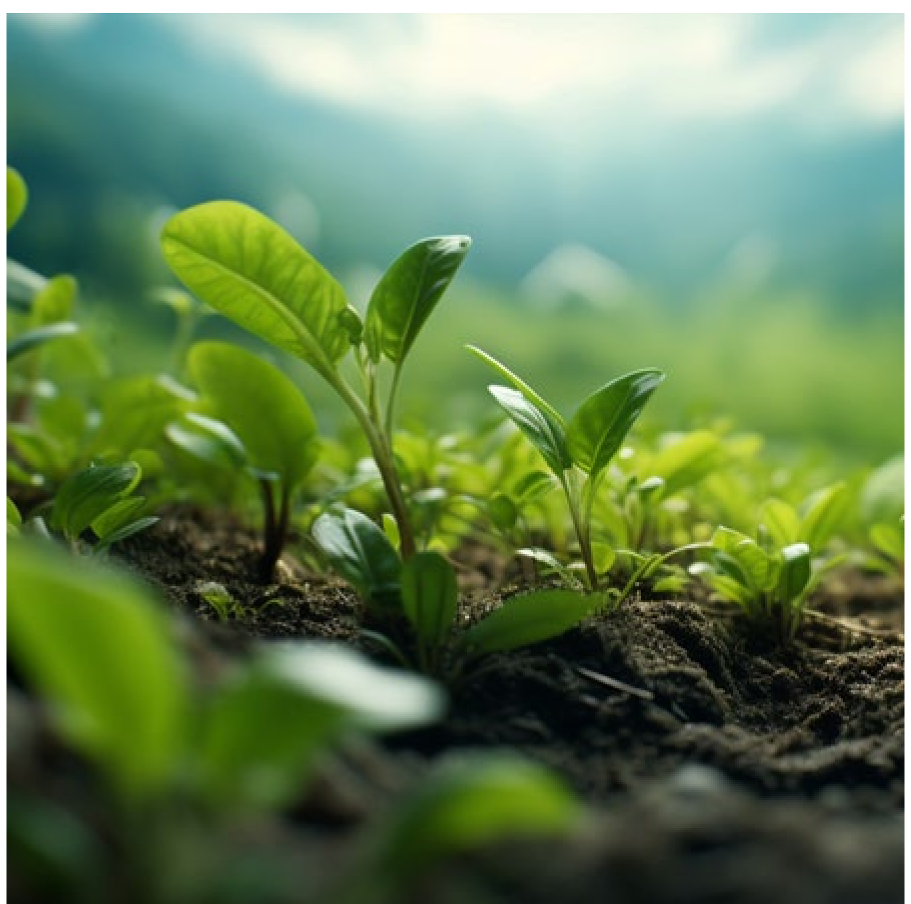
For us at Dixon, sustainability sits at the heart of our business model, strategies and execution. This basic tenet extends to providing clients with long-lasting and environment-friendly solutions. Our sustainability strategy encompasses environmental, social and economic well-being and actively incorporates these factors into our long-term strategies.

We prioritise adherence to Environmental, Social, and Governance (ESG) principles. Our environmental safety procedures are reviewed by our internal auditors regularly to ensure responsibility. Our integrated production process reduces waste by maximising the use of by-products, demonstrating our dedication.

## Sustainability framework

We at Dixon Technologies have taken steps to implement Environmental, Social, and Governance (ESG) principles across our operations. We adopted the ABSTRACT* framework, which is a holistic approach that emphasises sustainability as a core component of our strategy. This approach recognises our operations' broader impact on all stakeholders, including society, the environment, customers, suppliers, investors, and employees. By tackling ESG issues and supporting responsible practices, we are actively contributing to a more sustainable future.

Our ABSTRACT framework focuses on sustained resilience for both our employees and our company. We want to create a culture of faith, autonomy, and advancement to ensure the long-term success of our group firms. By incorporating ESG principles across our operations, we are committed to supporting sustainable practices throughout our value chain and positively impacting society and the environment.





# ABSTRACT

### Advancing Sustainable Technological Innovation

We use strategic philanthropy to make investments in education, healthcare, and social well-being to effect long-term good change in the areas we serve.

Capital in focus

- Intellectual
- Manufactured

### Building Trust through Quality

Our emphasis on product value and dependability fosters great customer and stakeholder confidence.

Capital in focus

- Manufactured

### Strengthening Employee Health & Safety

We put employee welfare and safety first by creating a happy work atmosphere and adopting strong health and safety measures.

Capital in focus

- Human
- Social & Relationship

### Transforming Communities through Philanthropy

We use strategic philanthropy to make investments in education, healthcare, and social well-being to effect long-term good change in the areas we serve.

Capital in focus

- Social & Relationship

### Responsible Production Practices

Our sustainable manufacturing methods reduce waste, pollution, and resource consumption, resulting in a healthier Earth.

Capital in focus

- Natural

### Advancing to Responsible Supply Chain

We adhere to responsible procedures throughout our supply network, including ethical procurement, fair labor standards, and a sustainable environment.

Capital in focus

- Manufactured
- Social & Relationship

### Combating Climate Change and Emissions

We are dedicated to decreasing greenhouse gas emissions, encouraging renewable energy use, and combating the effects of climate change through strong action.

Capital in focus

- Natural

### Timely and Effective Customer Support

We prioritise a great customer experience by providing timely and efficient responses to requests and complaints.

Capital in focus

- Social & Relationship

# Mitigating threats proactively

At Dixon Technologies, we understand that operating in an evolving global and regulatory landscape entails potential risks, which require prompt identification and pre-emptive mitigation. This approach safeguards the interests of all stakeholders and ensures the long-term sustainability and viability of the business.

We are committed to using adaptive risk management strategies to secure our operations and shareholder value. This dedication is evident in our thorough risk management policy and methodology. This methodology is intended to proactively detect, assess and reduce potential risks in all areas of our business operations. By approaching the management of risks systematically and dynamically, we hope to reduce disruptions, ensure operational excellence and create long-term value for our stakeholders.

## Risk Mitigation Framework

**Integration with Business Strategy:** Risk management is incorporated into our broader company strategy. This ensures a comprehensive strategy that includes both potential threats and opportunities.

**Comprehensive Policy Framework:** Board-approved policies outline ethical, legal, and governance standards across our operations. This includes a dedicated risk management plan.

**Dedicated Risk Management System:** A robust Risk Management system, led by our Vice Chairman and Managing Director, is managed by the Risk Management Committee and, eventually, the Board of Directors.

### Risk Mitigation Process

**Biannual Risk Assessment**

Identify potential threats across six key categories. (Strategic, Operational, Compliance, Financial, Sustainability, Cybersecurity)

**Risk Prioritisation**

Analyse likelihood, impact, and severity to prioritise risks.

**Mitigation & Response Planning**

Develop plans to minimise or prevent risk impact.

**Continuous Monitoring**

Regularly review and update risk management plan.

### Risk Assessment Matrix

- Strategic Risk
- Operational Risks/ Sectoral Risks
- Compliance Risk
- Financial and Reporting Risks
- Sustainability Risk
- Cybersecurity Risks





## Risk Management Strategy

### Strategic Risk

Geopolitical developments, commodity price volatility, technological developments, economic downturns, and increased competition are examples of strategic risks that could jeopardise our capacity to fulfil long-term objectives.

| Capitals Impacted | Related Material Topics | Mitigation |
|---|---|---|
| Financial Capital | Capacity utilisation and Market presence | Dedicated teams focusing on specific markets and products. |
| Human Capital | Distribution Network & channels | Different Models for Different Channels (DMDC) |
| Social and Relationship Capital | Customer relationship management and other stakeholders' delight | Prioritising rural areas expands our distributor network. |

### Operational Risks/Sectoral Risks

Internal process shortcomings, such as undertrained staff or inefficient procedures, can manifest as operational risks that threaten our operations (e.g., product quality issues).

| Capitals Impacted | Mitigation |
|---|---|
| Financial Capital | Effective customer engagement trainings and efficient recruitment |
| Manufactured Capital | Train the workforce for high standards |
| Intellectual Capital | Investment in continuous improvement such as R&D activities to enhance product quality & product efficiency |

## Compliance Risk

Non-compliance with relevant regulations in our operating territories is considered a compliance risk.

| Capitals Impacted | Related Material Topics | Mitigation |
|---|---|---|
| Intellectual Capital<br>Human Capital<br>Social and Relationship Capital | Responsible Digitisation & technology use<br>Brand Integrity and Salience | We ensure strict adherence to all national and international regulations.<br>We implement best-in-class governance practices for ethical operations.<br>Policies of the Company are regularly updated based on best industry practices. |

## Financial and Reporting Risks

Financial risks threaten the Company's long-term financial wellbeing, while reporting risks involve potential inaccuracies in financial and non-financial disclosures.

| Capitals Impacted | Related Material Topics | Mitigation |
|---|---|---|
| Financial Capital<br>Intellectual Capital<br>Social and Relationship Capital | Corporate Governance<br>Code of Conduct and Business Ethics<br>Human Rights<br>CSR<br>Health and Safety<br>Product Stewardship | We maintain robust internal controls to safeguard data integrity and process efficiency.<br>We ensure accurate and timely disclosure of financial and non-financial information, complying with all regulations and accounting standards.<br>We prioritise the timely fulfilment of all financial obligations to mitigate liquidity and credit risks. |

## Sustainability Risk

Sustainability risks encompass the potential negative environmental and social impacts of our operations, such as pollution, resource depletion, and improper waste management, which can negatively impact our long-term viability.

| Capitals Impacted | Related Material Topics |
|---|---|
| Financial Capital<br>Manufactured Capital<br>Natural Capital<br>Social Capital<br>Human Capital | We ensure safe handling and disposal of all operational waste, including e-waste.<br>We prioritise responsible water management and eliminate untreated wastewater discharge.<br>We invest in impactful CSR activities that contribute positively to society. |

## Cybersecurity Risks

Cybersecurity risks encompass threats that could compromise the confidentiality, integrity, or availability of our data and digital assets.

| Capitals Impacted | Related Material Topics |
|---|---|
| Financial Capital<br>Manufactured Capital<br>Intellectual Capital | We maintain a well-defined data security governance structure and ISO 27001:2013 certification with ongoing policy reviews.<br>We employ a 'Zero Trust structure' and Data Loss Protection (DLP) to enhance security.<br>We implement Intrusion Prevention Systems, web filtering, anti-virus software, and daily security awareness training.<br>We leverage SIEM & SOAR solutions for assertive analysis and real-time device monitoring to minimise production disruptions. |

# Responding to macro trends with prudence and agility

At Dixon Technologies, our business strategies are influenced by broad-based trends such as India's emergence as an economic powerhouse and a robust manufacturing hub for global electronic brands.

The Government of India's continued support to build and enhance indigenous manufacturing capabilities, along with skilled workforce and supply chains are acting as major tailwinds for us at Dixon.

The rise in disposable income among a predominantly young population, coupled with a strong preference for branded products, particularly mobile phones serves as a significant growth catalyst for our organisation. We are strategically positioned to capitalise on these opportunities and chart a sustainable growth path.

### Indigenous Supply Chain

Encouraging domestic manufacturers to reduce external dependencies and build a robust local supply chain can help mitigate risks such as geopolitical uncertainties. This strategy can also help reduce costs, lead to import substitution and bring more flexibility to the business model.

**Response**

We strongly believe in being 'Vocal for Local'. In our procurement processes, we prioritise sourcing goods and services locally. This approach not only enhances production efficiency, but also reduces production and delivery times. Procurement from nearby locations enables faster and assured delivery and ensures hassle-free coordination throughout the production process.

### Evolving Mobile Phone Landscape

Mobile phones are rapidly evolving from basic communication devices to multi-functional tools, with the incorporation of features such as high-resolution cameras, robust processors, advanced displays and extended battery life. Manufacturers are focusing on constantly developing new features and functionalities to differentiate themselves in a highly competitive industry scenario.

**Response**

Our expansion of manufacturing capabilities is aimed at meeting the surging market demand, while leveraging economies of scale. The introduction of several new Xiaomi models and the inclusion of two additional brands in our portfolio indicates a notable surge in production. This is in line with Dixon's broader strategy to secure 35-40% of India's vast smartphone market, estimated at 85-90 million units, over the coming years.

### Industry 4.0 Practices

Adherence to Industry 4.0 practices is the way forward for all industries. This trend is expected to accelerate in the coming years.

**Response**

We adhere to these practices across all facets of our operations, seamlessly integrating automation, artificial intelligence, and data analytics. This integration streamlines our processes, enhances efficiency, and boosts productivity. Our data driven decision making processes have become more agile, and our market insights now delve deeper.

### Skilled Labour

India is home to a large pool of technical and engineering talent, with many of the country's top-tier universities offering courses in electronics and engineering. This has made India an attractive destination for multinational companies looking to set up research and development (R&D) centres and manufacturing plants in the country.

**Response**

By utilising advanced technologies and investing in our skilled workforce, we are able to manufacture industry-leading products with unwavering focus on cost efficiency.

### Government Initiatives

The Production Linked Incentive Scheme for IT Hardware presents a financial incentive to stimulate domestic production and attract significant investment in the value chain. The scheme aims to encourage local enterprises to use existing installed capacity to meet rising domestic demand.

**Response**

At a time when global brands are adopting the China+1 strategy to diversify and de-risk their supply chains, Dixon Technologies, one of India's largest electronics contract manufacturers, seized opportunities offered by the Production-Linked Incentive (PLI) scheme to ramp up production and demonstrate manufacturing prowess.

As a beneficiary under the IT Hardware PLI 2.0, hybrid category, through our subsidiary, we have remained committed to the same. We have also finalised collaboration with Lenovo for the manufacture of notebooks and tablets.

### Eco-friendly Products

There is a growing emphasis on energy-efficient and eco-friendly products, with companies aiming to bolster the adoption of environment-friendly components and minimise e-waste through product recycling initiatives. In India, manufacturing companies are now required to regulate emissions from harmful refrigerants.

**Response**

At Dixon, our objective is to optimise energy consumption, minimise waste and improve the overall sustainability of our infrastructure by combining cutting-edge technologies and specialised knowledge. We are dedicated to promoting an environment-friendly and sustainable future for all our stakeholders.

We are crafting a sustainable pathway to progress, with the active participation, encouragement and support of investors, customers, value chain partners and communities, who have a stake in our progress.


# Amplifying value with a long-term lens

We have, over the years, strengthened our balance sheet with steady growth in revenue and margins. Our return on capital employed (ROCE) and return on equity (ROE) have also demonstrated healthy growth. With disciplined capital allocation and effective working capital management, we have been able to expand ROCE and ROE significantly. We have also focused on regular dividend payouts to accelerate wealth creation for investors.

**Key FY24 Highlights**

| 25.2% | ₹ 5 (250%) |
|---|---|
| ROE | Dividend per share |

**Material Issues addressed**

- Product Design and Innovation
- Human Capital Development

**Material Issues addressed**

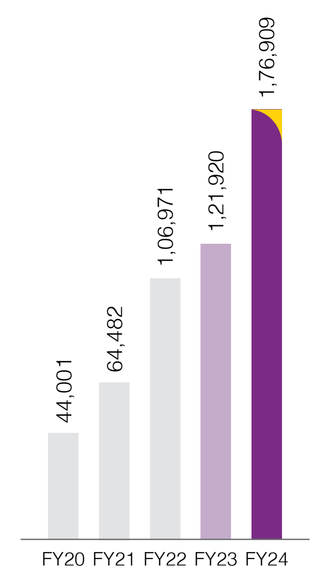




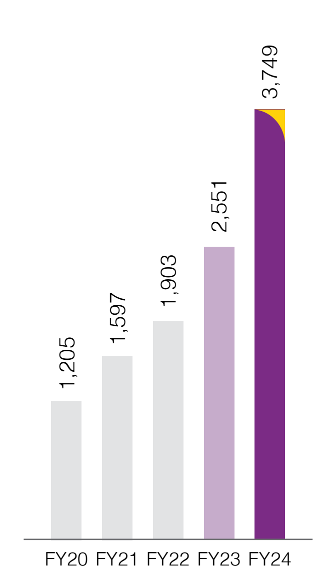
## Leveraging a Strong Financial Position

Our strong balance sheet, ample liquidity, and established credit lines from banks empower us to allocate growth capital nimbly, fostering investment in our business for long term value generation for our investors. Our overarching goal is to contribute to India's enduring growth narrative and the 'Make In India' initiative, which positions the country as a global manufacturing hub.

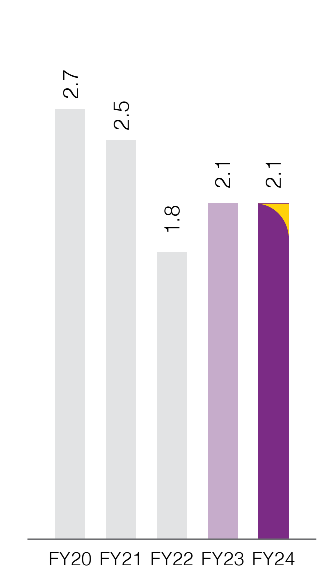
**Revenue from Operations**
(₹ in Million)



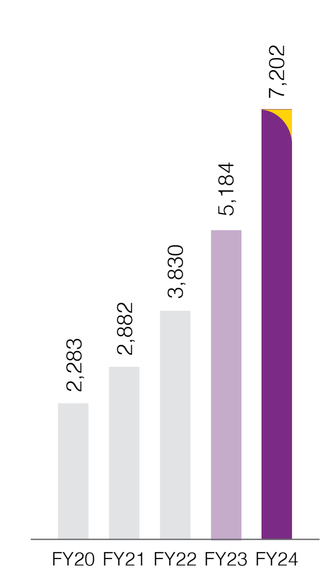

**Profit after Tax**
(₹ in Million)



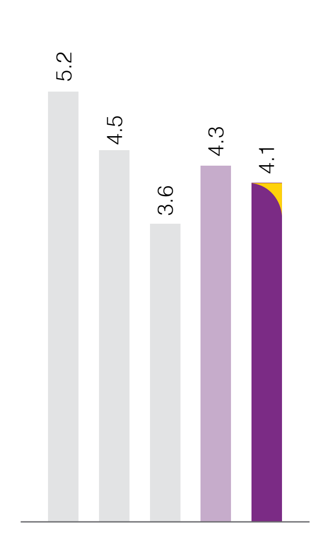

**PAT Margin**
(in %)



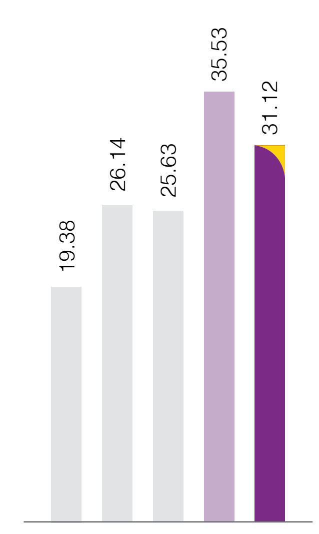

**EBITDA**
(₹ in Million)



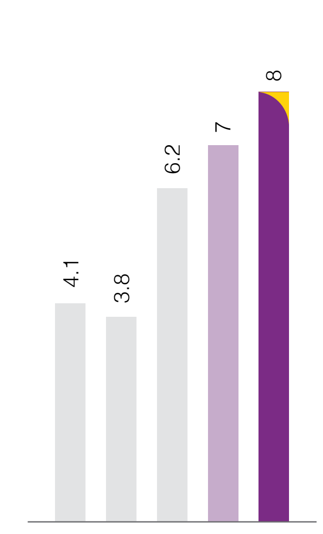

**EBITDA Margin**
(in %)




**EPS (Standalone)**
(₹ per share)




**Dividend Payout Ratio**
(%)




Note: On Consolidated basis except wherever specified.

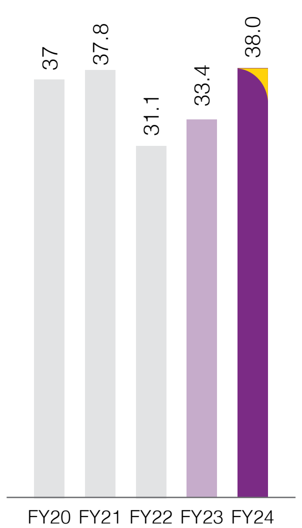
## Cost Efficiency

As we navigate the dynamic business landscape, cost control remains pivotal for our sustainable growth. Our robust systems and processes for cost planning empower us to proactively identify areas where control is needed. By strategically managing expenses, we allocate resources efficiently, align spending with our objectives, and enhance our market position. Optimising costs enables us to offer competitive pricing to our valued customers.

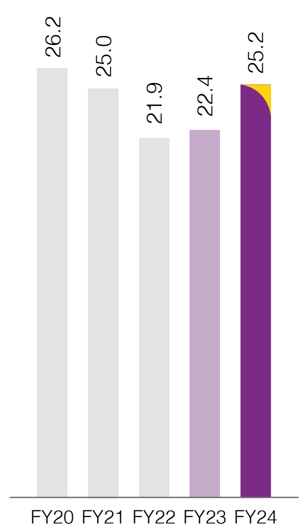
## Liquidity Position

Our operations yield robust cash flow, buoyed by an efficient working capital cycle. Our liquidity is bolstered by cash reserves and liquid investments. Our substantial liquidity buffer ensures we can fulfil all our financial commitments.

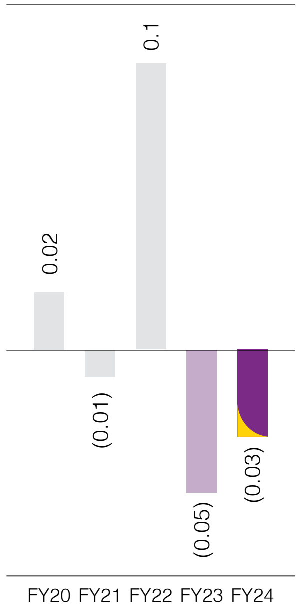
**Return on Capital Employed**
(%)




**Return on Equity**
(%)



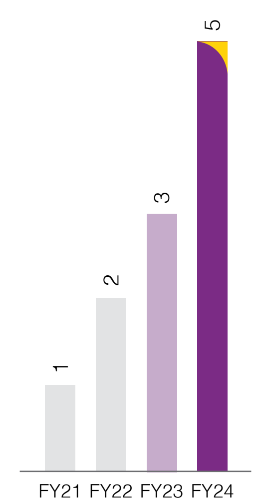

**Net Debt to Equity ratio**
(%)



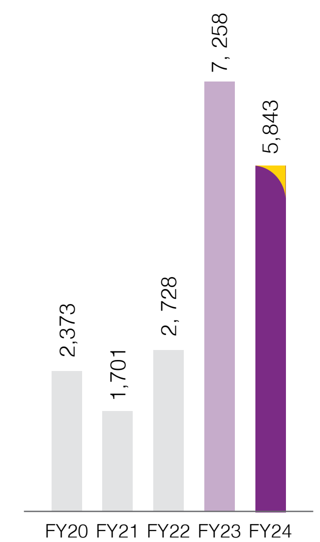

## Capital Allocation Strategy

We invest in expanding our capacities (setting up new manufacturing facilities) and capabilities (implementing new technologies, automating operations, upskilling teams), so that we can diversify into new product segments. Prioritising quality, manufacturing excellence and consistently meeting the demands of our key customers, we aim to strengthen our industry leadership.

**Dividend-per share**
(₹)




**Cashflow from operations**
(₹ in Million)




Note: On Consolidated basis except wherever specified.


# Fostering enduring relationships of trust

We consider our suppliers and other business partners as an essential catalyst of our value creation process. They play a crucial role in ensuring the timely delivery of goods and services, directly influencing our ability to meet customer aspirations efficiently and effectively. The strength of our interconnected network enables us to expand our market presence and accelerate growth across diverse geographies.

**Key FY24 Highlights**

**Material Issues addressed**

- Supply Chain Management

**Material Issues addressed**





## Building Relationships with Suppliers

We recognise the pivotal role our suppliers play in our operations, we embrace a holistic approach to supplier engagement. Our focus is on creating shared value in every interaction. By prioritising regular communication with our suppliers, we effectively address their queries and concerns, thereby strengthening our relationship.

Additionally, we engage and support our suppliers and vendors, ensuring regulatory compliance and promoting best practices in financial and people management. We ensure to building a resilient and responsible supply chain that emphasises ethical practices, minimises environmental impact and contributes to positive social outcomes.

### Supplier Selection Process

Our supplier code of conduct serves as a guiding framework, ensuring alignment with our sustainability objectives. Through rigorous due diligence assessments, we evaluate suppliers on environmental practices, labour standards and ethical conduct.

Our operational framework comprises two main categories:

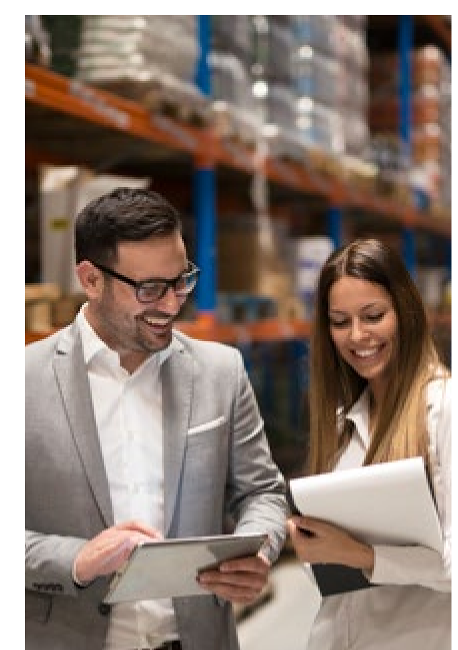
**OEM (Original Equipment Manufacturing):** We receive most raw materials directly from the customer, limiting supplier selection in this area.

**ODM (Original Design Manufacturing):** We have more discretion in choosing suppliers based on key factors such as the quality of raw materials and their proximity to our production facilities. However, final approval from the customer is always required before onboarding a new supplier.

### Supplier Assessment

Currently at Dixon, we plan and conduct awareness training on RBA VAP requirements to its suppliers, customers and Transporters. Also, presently labour, environmental topics such as compliance with ISO systems and legal requirements are covered in the supplier's audit check list of the company. Moreover, ethical conduct declaration is being collected during Supplier approvals and mutual agreements.

By 2030, our objective is to comprehensively evaluate all our suppliers, while focusing on building strong partnerships that prioritise sustainable practices across the entire value chain. Through regular and timely audits, particularly within the consumer electronics segment, we scrutinise key parameters such as RoHS compliance, environmental impact mitigation and adherence to stringent health and safety standards. These assessments ensure regulatory compliance and uphold our ethical and environmental responsibilities, driving continuous improvement and accountability throughout our supplier network.



## Local Procurement

At Dixon Technologies, local procurement is a strategic pillar of our sourcing practices. We believe in supporting local businesses, which foster economic development in the communities we work with. This approach also benefits the environment by reducing our carbon footprint, resulting from transportation and logistics.

Additionally, it increases production efficiency. It also increases the production efficiency by reducing the production and delivery time as procurement of goods from proximity enables quicker delivery and ensures better coordination. Local procurement also mitigates risks associated with global supply chain disruptions caused by geopolitical tensions or trade restrictions. Also, at Dixon, we presently audit our suppliers as per the audit plan of the company. Suppliers scoring above 70% and graded "B" are prioritised first and are mapped accordingly. This audit is currently not applicable to every business vertical of Dixon, but we are striving to implement the same across all business verticals.

## Sustainable Sourcing Practices

In our supply chain, ethical sourcing takes precedence. We uphold responsible mining practices and ensure proper disposal of electronic waste through authorised supplier partnerships. Additionally, we actively seek partners who embrace recycled and renewable materials, contributing to the circular economy.

Recognising our role in e-waste generation as a B2B player, we have implemented extensive recycling programmes and responsible disposal procedures through authorised vendors. By collaborating with local vendors who prioritise sustainable logistics practices, we minimise our environmental footprint and promote sustainability across our entire supply chain.


# Enriching lives through meaningful innovation

Driven by our commitment to innovation, we stay at the forefront of market trends and seamlessly adapt to the evolving aspirations of our customers. Powered by a robust research and development (R&D) framework, we strive to deliver diverse solutions , setting new benchmarks in customer experience with an array of innovations.

**Material Issues addressed**

- Customer Relationship Management
- Product Design and Innovation

**Material Issues addressed**



## Diverse solutions that add value to life

Our consumers rely on our expertise and infrastructure to deliver a wide range of high-quality products. We strive to be a global leader in electronics manufacturing, serving both domestic and international markets.

We operate across two key segments: Original Design Manufacturing (ODM) and Original Equipment Manufacturing (OEM). Leveraging our design expertise and technical know-how, we empower brands to introduce innovative and distinctive products to end-users.

Our product line is highly diversified, encompassing multiple devices such as laptops, mobile phones, lighting solutions, televisions, washing machines, security systems, wearables, hearables and PCBs for air conditioners.

We aim is to become a one-stop destination for our customers. From cutting-edge electronics to essential home appliances, our comprehensive range ensures that customers can find everything they need under one roof.

## Unwavering quality focus

Quality excellence is a 24/7 priority for us. Adherence to stringent and consistent quality standards can deliver industry-leading customer experience and take our business ahead of the curve. We leverage cutting-edge technology and a highly skilled workforce to create best-in-class products, while maintaining cost-efficiency.

Our core principle of 'continual improvement' fuels our pursuit of excellence, ensuring we consistently exceed customer expectations and deliver superior value.

We understand that developing industry-leading products is essential for building strong client relationships and achieving long-term success. Our persistent effort to manufacture quality products, while embracing sustainability principles has been pivotal in accelerating our business growth.

Producing higher-quality products efficiently is our key strength. Across all product segments, we prioritise the adoption of cutting-edge technologies. We consistently lead the way in embracing and incorporating innovative manufacturing systems to meet the varied needs of our customers. This has significantly enhanced our time and cost-effectiveness, while enhancing product quality.

## Bespoke solutions

Our in-house manufacturing operations give us the flexibility to customise products as per diverse customer requirements. We act as a trusted partner, collaborating closely with our clients to understand their needs and deliver products that perfectly align with their vision. This collaborative approach leads to mutual growth, allowing both Dixon and our partners to thrive in the ever-evolving electronics industry.

We hold a strategic position in the electronics supply chain, manufacturing products for leading global brands across multiple categories such as laptops, mobile phones, lighting products, security systems, washing machines, and more. Our focus on developing top-tier products for renowned brands worldwide, coupled with our state-of-the-art manufacturing facilities and strategic cost management, has propelled us to become the largest Indian Original Design Manufacturer (ODM) in the lighting sector.

## Research & development (R&D)

We channelise significant resources for R&D initiatives aimed at driving technological advancements, fostering eco-friendly practices and enhancing operational efficiency. Our R&D endeavours are guided by a focus on developing safer, smarter and more sustainable products tailored to meet consumer needs, while emphasising premiumisation and differentiation. We are continuously investing in R&D to utilise state-of-the-art technologies to meet changing consumer preferences.

By integrating sustainability into our product design process, we prioritise the development of energy-efficient products, utilisation of recyclable materials, and implementation of innovative solutions to reduce our environmental footprint. Our R&D efforts also extend to optimising resource utilisation across our operations, facilitated by collaborations with academic institutions, industry experts and other organisations.

**16 Crores**

**R&D expenditures**

**6**

**R&D centres**

## Industry 4.0 Practices

We are integrating digital tools across all aspects of our manufacturing processes. This includes everything from smart machines and connected production lines to real-time data analysis and AI-powered quality control. By leveraging Industry 4.0 technologies, we are optimising production workflows, reducing downtime and streamlining operations. This translates to faster production cycles and a more efficient use of resources.

Industry 4.0 allows us to adapt to changing market demands and customer requirements with greater agility. Advanced data analytics and AI-powered systems enable us to monitor production processes in real-time, identify potential issues early on, and ensure consistent quality throughout the manufacturing cycle.

By optimising our processes and achieving superior quality control, we deliver consistently high-quality electronic products that meet the latest industry standards. Industry 4.0 enables us to streamline production and respond quickly to changing customer needs, allowing us to get products to market faster.

## Digital Capability

In FY-24, we built upon the strong momentum in the technology & Digital space. In FY 25 we are aspiring to bring this in Next Level. Our Primary aim has been ensuring that we are future ready in all aspects of digital and technology.

To achieve we introduced and standardised multiple processes.

The multiple strategic movement and technology alignment has enabled us to create synergy across the entire group.

There is large Transformation program called CHAKRA been introduced on the theme of shop floor to Top Floor digitalisation program.


## In this transformation Program we imbibe 4 stream in parallel.

### Industry 4.0 and Beyond

We are actively implementing Industry 4.0 initiatives, focusing on intelligent manufacturing and the integrated robust MES/MOM solutions. These efforts aim to improve overall equipment effectiveness (OEE) and operational efficiency.

### Digital Supply Chain Management

AI-driven demand management, multi-echelon inventory optimisation, and end-to-end supply chain visibility enhance efficiency. Cloud-based solutions, ERP and MES integration, and advanced analytics ensure agility and cost reduction. Partnerships with tech leaders Blue Yonder and EY to drive innovation and secure our competitive edge.

### Cloud Technology

By partnering with global leaders like Google, we are adopting robust ERP systems and automated, validated processes that ensure 100% uptime and operational excellence. Since the successful go-live of our SAP on Google Cloud platform in August 2023, since than we witnessed a significant boost in Productivity and analysis.

### Hyper Converged and High Availability INFRA

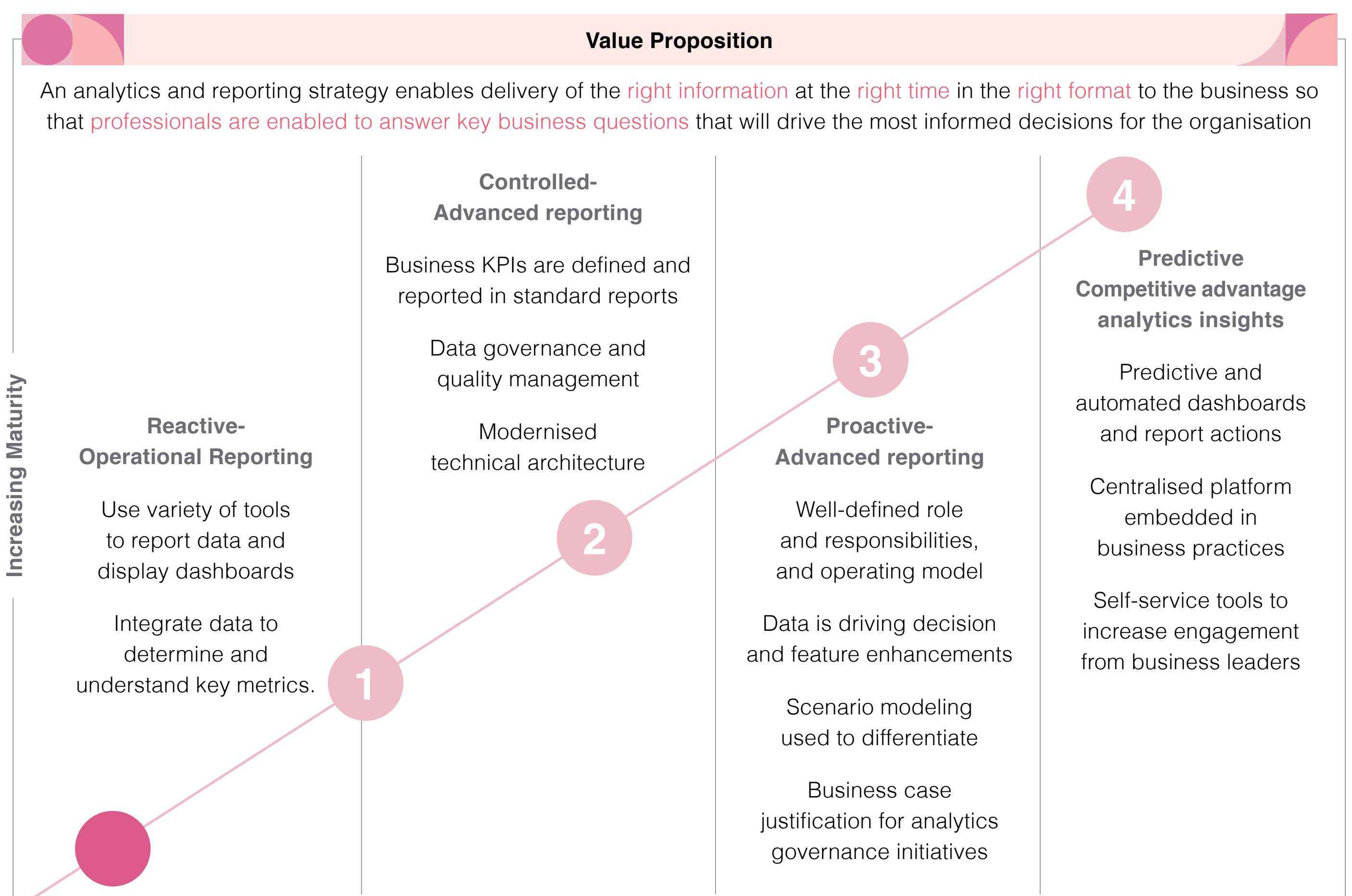
We implemented and scaling Nutanix solution to hyper-converged infrastructure (HCI) that integrates compute, storage, and networking into a single platform. This simplifies data centre management, enhances scalability, and reduces costs. This also ensure high availability of Application and minimal and zero business application downtime at server level.

We work extensively on Insight and analytics Layer for entire Dixon Group of various key KPI related to Sales, Finance, Production, Quality & Inventory. This focus approach named as Dixon Drishti Program on Qlik Platform.

We leveraged Qlik platform to enhance our insights and analytics capabilities through our Dixon Drishti initiative. This effort aims to unify and optimise data analysis across the group, driving informed decision-making and operational efficiency. By utilising Qlik, we can visualise complex data, identify trends, and make strategic business decisions with greater accuracy and speed.

Looking ahead, Dixon Drishti will integrate with our existing systems to create a single source of truth, ensuring data consistency and reliability. We are also incorporating AI capabilities to automate data analysis, provide predictive insights, and further enhance our decision-making processes. This will position us to stay ahead in a rapidly evolving market landscape.

### Dixon Drishti: Analytics Roadmap








#### Cyber Security and Data Privacy

Ensuring ironclad security measures is paramount. We are continuously enhancing our cyber and data security frameworks to protect our business models against emerging threats. We are partnering with major Solution Provider on Security as a Service Model and established/establishing all measures of most updated ISO27001:22 and NIST Framework.

#### Innovation and Modernisation

We fosters a culture of early adoption and incubation of new technologies. We have strategic partnerships with technology giants like Dassault, Siemens, Google Cloud, Nutanix, Blue Yonder, Qlik to co-create solutions that keep us at the forefront of technological advancements.

### Vision for the Future

As we look to the future, our goal is to establish a comprehensive layer of technology across all our businesses. We envision a landscape where AI becomes a co-pilot in almost every aspect of our work, transforming the way we conduct business. This journey is filled with challenges and opportunities, and we are committed to navigating it with agility and innovation.

Dixon is dedicated to creating a future where technology is deeply embedded in our DNA. Through strategic investments and a relentless focus on innovation, we are poised to unlock new possibilities and drive sustainable growth. Our commitment to leveraging technology to enhance our products, processes, and customer experiences remains unwavering, positioning us as a leader in the digital age.


# Creating positive impact beyond business

As a conscientious corporate, we believe in contributing our part for the community and the society at large. We ensure the well-being of the environment and communities we operate in, creating value for every stakeholder in the socio-economic framework. Our commitment to deliver greater good ensures welfare, empowerment and development of every section of society, helping us uplift the quality of life through socio-economic empowerment.

**Key FY24 Highlights**

**56.3 Million**

**CSR spend**

**Material Issues addressed**

- Community Development, Education, Healthcare, Welfare

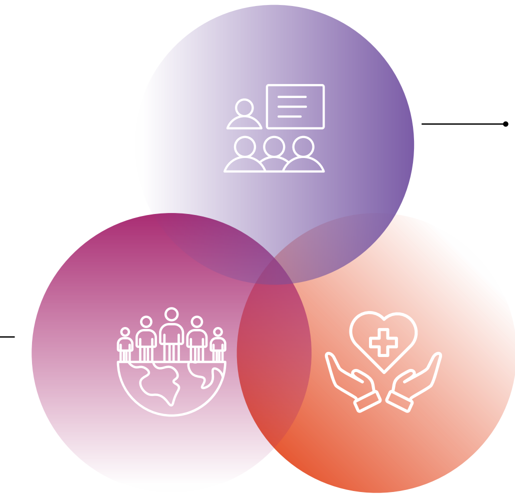
**Material Issues addressed**






## Our focus areas

Our societal commitment is reflected in our key focus areas, which comprise the following:




## Some of the notable CSR initiatives undertaken by the Company during FY 2023-2024 are as under:

### Nav Abhiyan

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

**₹10,45,000**

**Amount contributed**

**45**

**Children for Pre-primary assessed**

**72**

**Students for Primary assessed**

**36**

**Students for Middle assessed**

**20**

**Students for High school assessed**

### Purkal Youth Development Society (PYDS)

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

**17**

**Girls benefited**

**11**

**Boys benefited**

**₹28,09,499**

**Amount contributed**

### Mahavir Foundation Trust

Mahavir International is dedicated group of leading citizens of Vadodara who work closely with MFT for effective implementation of all its initiatives with the motto "Love All – Serve All". The scope of work of the organisation is Education and Literacy to underprivileged section of the society

**196**

Students benefited

**₹10,00,000**

Amount contributed

**4,86,689**

Vulnerable children catered

**30,418**

Government school teachers Involved

**4,664+**

Government schools benefitted

**3 states**

(Delhi, Uttarakhand & Tripura) involved

**₹ 40,00,000**

Amount contributed

### Plaksha University

Our partnership with Plaksha University expands educational opportunities within the communities we serve. Their diverse range of programmes in various fields fosters a well-educated and skilled workforce.

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

IOT Lab Course catering to

**50**

Undergraduate Students benefitted

**₹2,99,15,000**

Amount contributed

### Labhya Foundation

The foundation teaches social and emotional skills in government schools, helping children to become more resilient, create better connections, and have a higher drive to learn. The foundation is working with governments, multilateral organisations, and non-profits to co-create scalable Social Emotional Learning (SEL) and wellbeing programs for vulnerable children across public education systems.

### Jan Madhyam

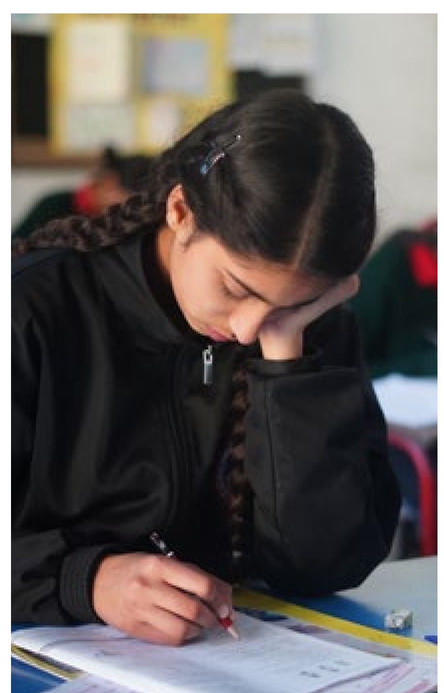
The non-profit organisation seeks to improve and rehabilitate children with mental disorders. Its major focus is on the social upliftment of mentally handicapped children by constructing satellite service centers for easy access to services for the disabled, where facilities focus on self-grooming, scheduling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

**217**

Beneficiaries supported

**₹19,36,000**

Amount contributed



### Etasha Society

The Organisation help young people from resource-poor communities acquire job-ready skills, take charge of their careers, and ultimately break the cycle of poverty. The Organisation assist them in developing the mindsets, attitudes, and skills needed for gainful employment and income generation, which in turn fosters self-respect, dignity, and social harmony.

**302**

students attended the workshops for career guidance and computer literacy

**₹5,00,000**

Amount contributed

### Bansividya Memorial Trust

We aim at enhancing the healthcare of children, with a particular focus on combating leukemia (blood cancer). Our mission is to raise awareness and offer financial assistance and support to underprivileged children nationwide who are grappling with leukemia, aiming to facilitate early detection and improve treatment outcomes.

**71**

Children benefited from treatment

**₹15,00,000**

Amount contributed

### Utkarsh Global Foundation

Utkarsh Global Foundation (formerly known as Utkarsh Star Mitra Mandal) is a non-profit organisation working nationwide with collaboration with government to promote welfare of the society. Utkarsh works in different dimensions include environment protection, animal welfare, women's education and empowerment, social justice and empowerment and disaster preparedness with a view to make the world a better place for every living organism and human being.

**1,272**

villages benefited along with **1,000** underprivileged woman

**₹10,00,000**

Amount contributed

### SHEOWS

SHEOWS is an old age home working to save lives of the abandoned, destitute, and homeless elderly across Delhi NCR, and Uttar Pradesh. Starting from rescue to providing the elderly with a second home, it is a place where the elders are medically treated, provided with comfortable accommodation, healthy and nutritious food. It has contributed in wellbeing of elders by improving the health condition of elderly residents via regular pathological test and improved nutritional status. The ashram's headquarters are in Delhi. SHEOWS operates three old age homes, two in Delhi and one in Garhmukteswar.


**₹75,00,000**

**Amount contributed**

**60**

**Elderly people supported**

### Latika Roy Memorial Foundation

Latika is a voluntary organisation in Dehradun, India, working for children and adults with disabilities. As a resource centre, they provide early learning opportunities, livelihoods development, education, training and awareness for children and adults with disabilities. The Organisation believe that when they plan for the most vulnerable the world works better for everyone. They have approach to challenges injustice and demonstrates how inclusion works.

**25-30**

**disabled children will be benefited from the funds spend for construction of one classroom at the Center of Inclusion and Influence**

**₹25,00,000**

**Amount contributed**

### Paramhansa Yogananda- Care for elderly, widow womens

The Organisation serving destitute, abandoned, aged women, mostly widows (MOTHERS), in and around Vrindavan and Radhakund. These Mothers have been abandoned by their families or forced out of their homes due to various circumstances, like death of the spouse, ill treatment at home etc. Due to their advanced age, low literacy, they are unable to earn a living and forced to beg for sustenance and live on the streets in abject poverty.

**Beneficiaries**

**950**

**mothers receiving monthly ration**

**₹5,00,000**

**Amount contributed**

### NGO Sapna

This project named "UDGAM" had the aim of providing basic computer literacy skills to youth in the age group of 11 years plus to 18 (students of Class VI to Class XII) years so that they get adequate exposure to the IT world enabling them to take up careers in the future with future ready skill set like their contemporaries in the urban setting of the country.

The project had the aim to trained Youth on basics of computers and digital literacy and practice on MS Office , Word, Power Point and Excel, from rural near Almora so that they have more capability to learn and increased awareness in the present digital age.


**₹5,00,000**

**Amount contributed**

### Some other CSR projects undertaken by Dixon Group are as under:

| S.No. | Name of organisations | Total CSR Amount contributed | Scope of work |
|---|---|---|---|
| 1 | Chinmaya Organisation for Rural Development (CORD) | 5,00,000 | Poverty and malnutrition, promoting health care |
| 2 | BS Negi Mahima Pravidhik Prashikshan Technical Education | 5,34,577 | Promoting Education |
| 3 | Param Foundation (Janaseva Trust) | 10,00,000 | Promoting Education |
| 4 | Krishnashray Foundation | 3,50,000 | Promoting Education |
| 5 | Rotary Southend Charitable Trust | 11,00,000 | Skill Development |
| 6 | Connect to Andhra | 1,85,000 | Promoting Education |

## Employees

# Teams that make us who we are

Our ethical principles, strong values and professional culture form the bedrock of our governance framework and philosophy. With a sharp focus on long-term sustainability, the Board acts as custodian of stakeholder value creation. Highest standards from our global corporate governance practices are integrated into our growth strategy, ensuring transparency and accountability across all operations. This commitment safeguards stakeholder interests, while the Board oversees critical areas such as compliance, risk management and future planning.

### Key FY24 Highlights

**22,461**
Employees

**0.57 Million**
Total Amount spent on training programmes

**ZERO**
LTIFR

### Material Issues addressed

- Human Capital Development
- Health and Safety
- Human Rights

### Material Issues addressed





## Talent acquisition

Diversity and inclusion remain our top priorities when it comes to expanding and enhancing our talent pool. Through advanced behavioural tools, we ensure our hiring decisions are well-informed and ethical. Our practices are transparent, equitable and unbiased, assessing candidates solely based on their qualifications, skills and role-relevant experiences.

Our recruitment and development centres focus on essential skills and knowledge, ensuring fair evaluations and equal growth opportunities. Additionally, our Talent Acquisition and Retention Policy aims to attract and retain top talent through competitive compensation, compelling career advancement and comprehensive benefits.

**3,923**
Permanent Employees

**253**
Permanent Woman in Workforce

Total New Hires
**1,941**
Permanent Employees

**49%**
% Increase in share of permanent woman in workforce

## Employee engagement

To keep our people engaged and highly motivated to contribute their best, we respond to insights gathered from employee engagement surveys. Our HR and management teams analyse the feedback received from these surveys, crafting tailored action plans to address key employee concerns. We then share these results openly and solicit further input to ensure that all our employees feel heard and valued when contributing to shaping our strategies. This commitment extends into the implementation phase, where solutions are closely monitored and refined through continuous feedback loops.

Further, to gauge employee satisfaction and identify new areas for improvement, we regularly engage in follow-up surveys and focus group discussions.

For ensuring employee well-being, we conduct various engagement activities coordinated by our Take a Break (TAB) Committee. This cross-departmental group spearheads initiatives such as-

- Safety Awareness Campaigns
- Wellness Programmes
- Employee Recognition Programmes
- Skill Development Workshops
- Open Forums and Feedback Sessions
- Team-Building Initiatives

We believe that these efforts are crucial in enhancing job satisfaction, employee well-being and nurturing a supportive and well-knit organisation.

**100+**
Employee engagement programmes

## Learning and development

Our growth is fuelled by a combination of experiential learning and focused interventions. We are channelling our resources into nurturing our personnel, focusing on identifying training needs and establishing Centres of Excellence. Our training programmes are crafted in a way that considerably improves the performance of our people and leads to their personal and professional growth. By offering technical and functional training centred around industry-relevant skills, we make sure that our employees are equipped with the latest technologies. We also organise developmental programmes that promote collaboration, problem-solving and leadership qualities.

We aim to align our learning and development initiatives with our business goals. Starting by pinpointing key business objectives and identifying skill gaps, we tailor our training to meet specific needs and priorities. This approach equips our people with deeper manufacturing and managerial capabilities.

**8876**
Man Hours Training

**0.57 Million**
Spent on training programmes

**1110**
Man Days of Training

**256**
Total Hours of Training & Development

## Performance management

Our Performance Management System is structured in a way that elevates both individual and organisational performance. It emphasises excellence and continuous improvement through distinct performance metrics, regular feedback sessions and a sharp focus on accountability.

We enhance the employee experience through rigorous external and internal benchmarking, which helps us maintain competitive standards. Our dedication to optimising manpower productivity, coupled with precise budgeting and Management Information Systems (MIS) reporting, strengthens our operational framework.

Additionally, our Human Resource Information System (HRIS) plays a pivotal role in boosting employee engagement. By overseeing the entire performance management cycle and maintaining effective employee communication channels, we ensure every team member is aligned to our business needs and well-informed. We also focus on enhancing our employer branding and implement robust rewards and recognition programmes to celebrate and acknowledge the significant contributions of our team members.

## Leadership development

Committed to enabling the growth of our talent pool, we have made targeted interventions to enhance the managerial and leadership capabilities of our employees through Individual Development Plans (IDPs) and Cross-functional Teams (CFTs). In FY24, we invested in leadership development initiatives focused on building essential skills such as strategic thinking and communication.

Effective leadership development hinges our mentorship and coaching, which bridges emerging leaders with seasoned executives, facilitating knowledge transfer and guidance. Our routine leadership workshops and seminars convene industry experts, offering valuable insights and networking prospects for our team. Furthermore, feedback mechanism and 180 degree assessments help evaluate leadership performance, allowing us to customise development plans.
Our approach to succession planning entails identifying and grooming high-potential employees for future leadership roles, ensuring both business continuity and organisational growth.

**100%**
Internal succession rate

## Health and safety

We strictly adhere to regulations to ensure the health and safety of our workforce. By cultivating a safety-first culture, we solicit employee feedback to enhance our safety practices. Our Environmental, Health and Safety (EHS) team ensures employee safety by implementing several performance measures.

**ZERO**
Number of accidents

**ZERO**
LTIFR

### Engagement and continuous improvement

We conduct regular safety compliance audits and collaborate with third-party auditors to assess adherence to protocols and identify areas for enhancement. Our safety training programmes are comprehensive and ensure that our employees are equipped with essential skills and knowledge to minimise risks.

Regular safety awareness campaigns, workshops and training sessions not only educate our personnel on best practices but also encourage an effective communication culture, enhancing our collective safety awareness.

### Emergency preparedness and response

Recognising the necessity of emergency preparedness, we organise regular training sessions and drills, preparing our people for handling hazardous material and responding to emergencies. We have established dedicated first-aid and firefighting teams in each unit, ensuring quick and effective action during emergencies. These teams comprise trained professionals, who provide immediate medical assistance and handle fire-related emergencies with expertise.

### Employee well-being

We place a strong emphasis on employee well-being by conducting wellness programmes, mental health support and initiatives that promote work-life balance as part of our ongoing efforts to promote a culture of safety and care.

## Diversity and inclusion

Our people-centric initiatives and policies are crafted to not just include but celebrate diversity, ensuring everyone at Dixon can excel in what they do. Aligned with our ethos of fairness and mutual respect, we nurture an environment where every employee feels empowered to their be authentic self.

### Unbiased Recruitment process

Dixon maintains a fair and transparent recruitment process that evaluates candidates based on their qualifications, skills, and experience, ensuring equal opportunities for all applicants regardless of their background.

### Diverse Candidate Sourcing

Dixon actively source candidates from diverse talent pools, leveraging various recruitment channels and partnerships with organisations focused on promoting diversity, to ensure a broad and inclusive candidate selection.

### Inclusive work environment

Our work culture is rooted in the value of inclusion—a value that we uphold through our Employee Resource Group, IM'POWER. This group promotes a supportive network that not only strengthens our team but also drives innovation by encouraging the active participation of all our personnel.

We stand firm against discrimination with a zero-tolerance policy. Our comprehensive guidelines and training programmes on diversity and unconscious bias prepare our team to help build a culture of empathy and respect. Each report of discrimination or harassment is taken seriously, investigated thoroughly and addressed promptly to maintain integrity and accountability among our team members.

**100%**

**Employees can avail of maternity and paternity benefits**

### Equal opportunities for all

We collaborate with numerous organisations to strengthen our recruitment and employee support frameworks. Our hiring processes prioritise transparency and equity, centering meritocracy, to ensure that equal opportunities are accessible to all.

We extend equal career development prospects to every team member. Additionally, we provide training and mentorships tailored to diverse learning styles, Regular evaluation ensures continuous improvement, reinforcing our commitment to an unbiased work environment.

### Regular Monitoring and Assessment

Dixon regularly monitors and assesses it practices to identify areas for improvement and ensure alignment with our commitment to equal employment opportunities. This proactive approach allows us to adapt and evolve our strategies to meet the changing needs of our workforce and promote continuous improvement.

## Human rights

Dixon upholds a strong commitment to human rights and social responsibility, emphasising the creation of a safe and inclusive work environment for all employees. The company adheres to international standards and regulations, ensuring fair treatment, equal opportunities, and respect for diversity within its workforce

Dixon actively promotes a culture of inclusion through diversity and inclusion initiatives, aiming to cultivate a workplace where everyone feels valued, respected, and empowered to contribute their unique perspectives. The company prohibits any form of discrimination, harassment, or unfair treatment, reinforcing these principles through policies, training, and regular communication.

Furthermore, Dixon engages with local communities and stakeholders to address social issues, support charitable causes, and contribute to sustainable development initiatives. By integrating human rights and social responsibility into its core values and business practices, Dixon demonstrates a holistic approach to corporate citizenship, striving to make a positive impact on society while maintaining a safe and inclusive work environment.

### Fair employment practices

Dixon maintains fair employment practices, ensuring equal opportunities for all employees regardless of gender, race, religion, or background. The company promotes diversity and inclusion in its hiring processes, training programs, and career development opportunities.

### Workplace integrity

We have robust policies in place to safeguard our people against any form of harassment or discrimination. The Prevention of Sexual Harassment (POSH) Committee, with its clear policy framework, plays a pivotal role in upholding workplace dignity. This Committee, along with the Internal Complaints Committee (ICC), ensures all grievances related to sexual harassment are addressed confidentially and impartially, with resolutions that adhere to strict legal guidelines. Strict disciplinary actions are enforced to address any incidents of harassment or discrimination, ranging from counselling to termination, depending on the severity of the offense.

### Training and awareness

Regular training sessions are conducted to prevent sexual harassment and discrimination, ensure our people understand their rights and responsibilities, and reinforce our commitment to building a secure workplace.


# Putting the planet first, always

Committed to charting a sustainable way forward, we aim to give back more than we take. With dedicated efforts and the collective support of our team, we implement sustainable practices that align with our belief that our business can flourish while fostering meaningful change. Our initiatives involve enhancing our energy efficiency, integrating a larger share of renewable energy sources, applying rigorous water usage standards and minimising our waste output. These steps are aimed at lessening our environmental footprint as part of our broader initiative to drive innovation and ensure a sustainable future for all.

**Key FY24 Highlights**

**14.60%**
**Of Renewable energy in total electricity**

**15,510 GJ**
**Renewable energy consumption**

**Material Issues addressed**

- Climate Change Strategy
- Water Management
- Waste Management
- Energy Management and Emission Reduction
- Biodiversity Management

**Material Issues addressed**





## Sustainability roadmap

Determine the state of play and measure the right criteria for our projects.



Create a sustainability baseline and identify opportunities for shared value creation

Set science based targets, measure and be transparent about our findings.

Engage, collaborate and enable the green transmission.

## Climate change mitigation

In response to worsening climate change, we have aligned our climate action initiatives with the Greenhouse Gas Protocol, a globally recognised framework. This alignment facilitates the identification, reduction and reporting of our greenhouse gas (GHG) emissions across all operational scopes. Concurrently, we are exploring and adopting alternative energy sources, significantly reducing our dependency on fossil fuels and minimising our overall carbon emissions.

### Reporting emissions

To comprehensively understand and manage our carbon footprint, we undertake detailed study and analysis to understand our GHG and carbon emissions and measure carbon footprint. This helps in establishing a precise starting point for our emission reduction initiatives. Building on this data, we develop specific GHG reduction targets, guided by well-defined key performance indicators (KPIs) that ensure both strategic alignment and measurable progress in our environmental efforts. Our commitment to transparency is underscored by our regular GHG reporting, which keeps all stakeholders informed about our progress and challenges in reducing emissions.

### Reducing emissions

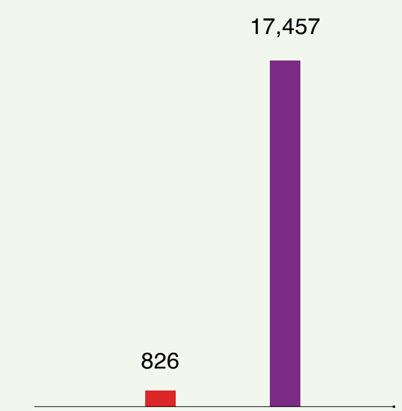
Our approach extends to implementing energy-saving initiatives and optimising operational efficiency, which includes mandatory Pollution Under Control (PUC) checks and providing transportation facilities that encourage carpooling among our personnels. Our forward-thinking measures include upgrading our staff commute bus fleet from BS4 to BS6 standards, significantly reducing the direct emissions from our transportation operations. We have also enhanced our solar panel capacity to increase the usage of renewal energy usage and reduce reliance on conventional energy resources.

Additionally, we integrate advanced technologies, such as atomic sensors into lighting systems, ensuring optimal energy use and minimum waste.

**Emissions profile (in tCO2e)**

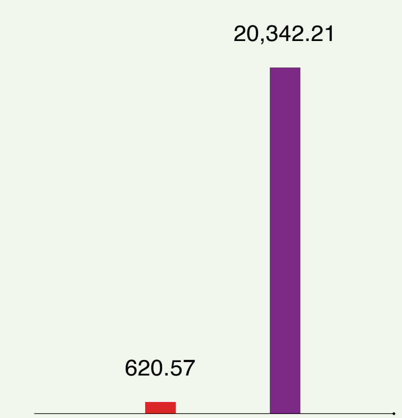
**FY23**

- Scope 1 Emissions* / **826** /
- Scope 2 Emissions* / **17,457** /




**FY24**

- Scope 1 Emissions* / **620.57** /
- Scope 2 Emissions* / **20,342.21** /



## Water management

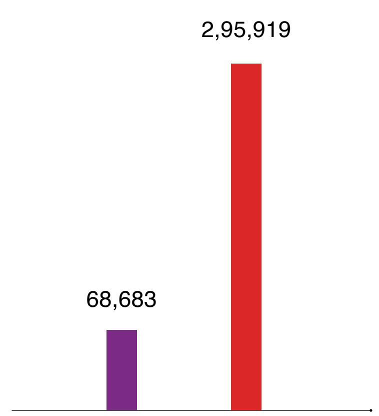
Our water management initiatives not only monitor and reduce water usage but also repurpose and enhance the quality of water.

### Monitoring water consumption

We have installed digital water flow meters at various locations within our facilities. These devices are crucial for accurately monitoring and measuring water consumption, enabling us to identify opportunities for further water conservation.

**Water consumption (in kL)**

● FY24 / **2,95,919** /
● FY23 / **68,683** /




### Conserving water

In an effort to minimise water waste, sensor taps have been installed across our facilities. Additionally, water rejected from reverse osmosis (RO) systems is collected and repurposed for washing and cleaning operations, ensuring that every drop of water is effectively utilised. Our wastewater treatment facilities deploy advanced processes to repurpose wastewater for gardening and cleaning. This initiative not only reduces our demand for freshwater but also supports our landscaping and cleanliness efforts.

### Rainwater harvesting

We have implemented rainwater harvesting systems at selected locations, including collection pits and sumps. These systems not only aid in groundwater recharge but also help manage flood risks and reduce runoff. This initiative is part of our broader strategy to use water sources responsibly.

### Treating wastewater

We have installed Sewage Treatment Plants (STPs) to process wastewater, which is then used for maintaining the green belts surrounding our company premises. This practice not only conserves water but also beautifies our premises. Also, our wastewater is utilised for gardening and cleaning purposes, thereby reducing the need for fresh water usage. We also aim that all of our wastewater treatment methods are eco-friendly and generate no pollutants.


## Waste management

Our waste management system efficiently handles both hazardous and non-hazardous waste. We take a multifaceted approach to minimising industrial waste, which includes promoting advanced recycling, responsible disposal practices and proactive waste prevention measures.

In collaboration with certified vendors such as Greeniva Recyclers Pvt. Ltd. which specialises in eco-friendly waste management, we ensure all waste generated is disposed of in an eco-conscious manner. To address the specific challenges of electronic and oil waste, we have established partnerships with leading recycling firms and companies in the steam and oil industries. These alliances are pivotal in our efforts to responsibly manage the disposal of hazardous e-waste and oil waste, along with crucial by-products of our operations.

We prioritise the elimination of hazardous substances from our products and packaging processes to ensure they meet strict safety standards and regulatory requirements.

We also strive to minimise the amount of waste that is disposed off in landfills, instead we ensure that such waste is recycled and upcycled wherever possible.

## Adopting renewable energy

Renewable energy initiatives are integral to our sustainability efforts. We rigorously assess the feasibility of implementing rooftop solar energy systems based on location-specific variables and state regulations concerning open access to solar panels. Wherever open access provisions are favourable, we proceed; otherwise, we collaborate with external partners to install rooftop solar panels.

The majority of our plants, including our office facilities, have adopted both rooftop and open-access solar panels, utilising OPEX and open-access models to deploy these systems. We strive to diminish reliance on fossil fuels and significantly reduce carbon emissions; this aligns with our corporate sustainability objectives as well as operational needs.

Dixon's Wholly Owned Subsidiary, Dixon Electro Manufacturing Private Limited, has installed a solar capacity of 1980 KWP, which is equivalent to 67,980 Matured Trees and 1534000 Tree Seedlings grown in 10 years.

**14.60%**

**Renewable energy used (Standalone basis)**

**15,510 GJ**

**Renewable energy consumption**

## Fostering energy efficiency

To achieve higher energy efficiency, we leverage an energy management system (EMS) that covers all facets of our manufacturing processes. This EMS, along with a comprehensive energy policy and an apex manual, guides the implementation of energy management practices across our sites.

We have upgraded our existing diesel generator units to operate in dual modes while transitioning from High-Speed Diesel (HSD) to Piped Natural Gas (PNG) dual fuel across all our Noida plants. To optimise energy usage further, we have installed motion-activated sensor lighting and Variable Frequency Drives (VFDs) in various equipment and processes. We are planning to install more VFDs into the compressors.

In the years ahead, we look forward to installing Building Management Systems (BMS) and Hybrid Thermal Systems (HTS) across our units. These systems are likely to help us achieve a 30% reduction in energy consumption for our air conditioning systems as well as help in enhancing energy conservation.

## Ensuring compliance

Through our internal tool, Lex Comply, which keeps us abreast of the latest laws and regulations applicable to our operations, we ensure full compliance. Our approach includes regular internal audits of all environmental compliances, guaranteeing adherence to relevant standards. Furthermore, we conscientiously avoid the establishment of factories and premises in government-designated protected and ecologically sensitive areas, including heritage sites.

**ISO 14001, ISO 14064 Part 1 and ISO 14064**

**Certified**

## Advancing supplier sustainability

As a company that is heavily dependent on a vast supplier network, we are committed to incorporating sustainable practices that benefit both our supplier community and the environment. In our endeavour to ensure a sustainable supply chain, we have established specific criteria for selecting and evaluating suppliers. This process is designed to promote the use of eco-friendly materials, ensuring compliance through Self Restriction of Hazardous Substances (RoHS) declarations and test reports.

Also, we have implemented sampling audits that scrutinise environmental aspects of our operations. We have taken significant steps forward by establishing a RoHS testing laboratory. This facility is equipped with an X-ray Fluorescence (XRF) machine, enabling us to verify that procured components meet our stringent environmental standards.

Our efforts have been recognised, as evidenced by the various certifications that we have received. These include certifications for several of our plants under Social Accountability International's SA8000 standard and the Responsible Business Alliance's Voluntary Audit Process (VAP).

# Awards and Accreditations


**2023**

CSR Leadership Award has been awarded to Mr. Ashish Kumar, Chief Legal Counsel & Group CS at 8th Edition of Corporate Responsibility Summit & Awards 2023


**2023**

Mr. Ashish Kumar has been conferred with an award of Top 10 Best Chief Legal Officers in India 2023 by TradeFloc


**2024**

Dixon Technologies (India) Limited has been awarded for its excellence in POSH Policy implementation at the POSH Enclave excellence awards


**2024**

Sunil Vachani has been conferred with 'Entrepreneur of the Year award by Forbes India under Forbes Leadership Awards 2024'


**2024-2025**

Great Place to work





# Certifications

## Global Certifications in Existing Plants

| Locations | ISO 9001:2015 | ISO 14001:2015 | ISO 45001:2018 | ESD S20:20 | ISO 27001:2018 | ISO 50001 | IMS | RBA VAP | SA 8000 |
|---|---|---|---|---|---|---|---|---|---|
| Washing Machine (Dehradun) | ✓ | ✓ | | | | | | | |
| Washing Machine (Tirupati) | ✓ | ✓ | ✓ | | | | | | |
| AIL Dixon (CCTV) | ✓ | ✓ | ✓ | | | | | | |
| Sector-63 (Mobile & STB) | ✓ | ✓ | ✓ | ✓ | | | | | |
| Sector-60 (Mobile) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Sector-85 (Router) | | | | | | | ✓ | | |
| DEAPL Ludhiana | ✓ | | | | | | | | |
| TV Monitor | ✓ | ✓ | ✓ | | | | | ✓ | |
| Dixon Noida | ✓ | | | | | | | | |
| Dixon Dehradun | ✓ | ✓ | | | | | | | |
| Dixon Noida C-33 | ✓ | ✓ | | | | | | | ✓ |
| Sector-90 Mobile | ✓ | ✓ | ✓ | ✓ | | | | | |
| Sector-90 Laptop | ✓ | | | | | | | | |

Also, Dixon is aiming for SMETA, VAP RBA and QC 80000 for its plants in the future.

# 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

**Mr. Arun Seth**

Independent Director

## Key Managerial Personnel

**Mr. Sunil Vachani**

Executive Chairman

**Mr. Atul B. Lall**

Vice Chairman & Managing Director

**Mr. Saurabh Gupta**

Chief Financial Officer

**Mr. Ashish Kumar**

Chief Legal Counsel & Group Company Secretary

## Statutory Auditor

**M/s S.N. Dhawan & Co. LLP**

2nd Floor, 51-52, Sector-18, Phase-IV, Udyog Vihar,
Gurugram, Haryana-122016, India Ph: +91 124 4814444
Email ID: contact@mazars.co.in

## Internal Auditor(s)

**Ernst & Young LLP**

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

**Protiviti India Member Private Limited**

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

## Key Bankers to Our Company

ICICI Bank Limited

Hong Kong Shanghai Banking Corporation

HDFC Bank Limited

Citi Bank N.A.

Standard Chartered Bank Limited

Axis Bank Limited

Bank of Baroda

## Annual General Meeting

Date: 25th September, 2024 (through Video Conferencing)
Time: 11:00 A.M.
Day: Wednesday

## Registrar & Share Transfer Agent

**KFin Technologies Limited**

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

## Registered Office

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

# Director's Report

Dear Member(s),

Your Directors take immense pleasure in presenting the 31st Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2024. 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 (standalone & consolidated) for the year ended 31st March, 2024 are as under:

(₹ in Lakhs)

| Particulars | Standalone For the financial year ended | | Consolidated For the financial year ended | |
|---|---|---|---|---|
| | 31st March, 2024 | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| Revenue from Operations | 6,41,140 | 6,99,740 | 17,69,090 | 12,19,201 |
| Other Income | 3,729 | 1,847 | 2,256 | 561 |
| Total Income | 6,44,869 | 7,01,587 | 17,71,346 | 12,19,762 |
| Profit/ (Loss) before depreciation, finance costs, Exceptional items and tax expenses | 35,244 | 37,908 | 72,019 | 51,836 |
| Less: Depreciation/ Amortization/ Impairment | 6,398 | 5,761 | 16,188 | 11,463 |
| Profit/ (Loss) before Finance costs, exceptional items and tax expenses | 28,846 | 32,147 | 55,831 | 40,373 |
| Less: Finance costs | 4,148 | 3,622 | 7,472 | 6,057 |
| Profit/ (Loss) before exceptional items and tax expenses | 24,698 | 28,525 | 48,359 | 34,316 |
| Profit/ (Loss) of Joint Venture Companies | - | - | 1,024 | 162 |
| Add/ (Less): Exceptional items | - | - | - | - |
| **Profit/ (Loss) Before tax** | **24,698** | **28,525** | **49,383** | **34,478** |
| Less: Taxes (current & deferred) | 6,132 | 7,410 | 11,891 | 8,970 |
| **Profit/ (Loss) for the year** | **18,566** | **21,115** | **37,492** | **25,508** |
| **Total comprehensive income/ (loss)** | **18,667** | **21,065** | **37,578** | **25,380** |
| Balance of profit/ (Loss) for earlier years | 84,287 | 64,361 | 96,148 | 71,785 |
| Add: Profit during the year | 18,566 | 21,115 | 36,775 | 25,552 |
| Less: Dividend paid on equity shares | 1,787 | 1,189 | 1,787 | 1,189 |
| **Balance carried forward** | **1,01,066** | **84,287** | **1,31,136** | **96,148** |

## Overview and State of Company's Affairs

India's economic growth remained resilient, amid global headwinds. The expansion in economic growth can be attributed to India's sound macroeconomic fundamentals, rising disposable income and prudent monetary policies implemented by the RBI. Easing supply-side constraints coupled with the government's consistent emphasis on capital expenditure and increased reliance on domestic demand have kept the Indian economy relatively shielded from macroeconomic shocks. India is fast emerging as a preferred manufacturing hub, catering to the global demand for manufactured goods. Notably, there has been greater capacity utilisation across the manufacturing sector, which has further fuelled economic growth. Being a huge consumption-driven domestic economy with growing export opportunities, India is likely to surpass the rate of growth of major global economies in the years to come.

Your Company as a leading Indian Electronic Manufacturing Services (EMS) company, delivered an outstanding performance in the year under review, driven by robust demand across its business segments, particularly in the mobile and IT hardware verticals. The improvement in profitability can be attributed to the company's focus on operational efficiency, favourable sales mix and strategic price hikes across various ODM businesses. The company's net profit witnessed significant growth in the fiscal year and the liquidity position remained strong.

The mobile and EMS division emerged as the largest growth driver, contributing over 60% of the company's consolidated total revenue. Dixon achieved significant milestones in this segment, manufacturing 15 million smartphones and 38 million feature phones during the year. The company created an annual capacity of 50 million smartphones and 40 million feature phones across four plants in Noida, solidifying its position as one of the largest Mobile phones manufacturers in the country.

Dixon's IT hardware segment through the PLI 2.0 scheme also gained traction, with the company securing orders from leading global brands like Lenovo and ASUS for manufacturing notebooks and tablets. The company committed a significant investment under the hybrid category of the PLI scheme, positioning itself as a key player in this high-growth segment.

On the operational front, the company achieved several milestones across its business verticals, including consumer electronics, lighting, home appliances, mobile phones, IT hardware and telecom products. Dixon ventured into new product categories, such as Interactive Flat-Panel Displays (IFPD) in the consumer electronics segment and commenced production of refrigerators, catering to both domestic and international brands. Moreover, your Company is also diversifying into new segments such as Industrial electronics, IT products, Telecom, LED lights and components for refrigerator and Air conditioners.

In summary, the Company has a promising future ahead with its large capacities in India, which define its high revenue potential.

During the year under review, your Company's wholly owned subsidiary, Padget Electronics Private Limited has:

a) Been awarded manufacturing contract by Lenovo for manufacturing of IT Hardware products i.e. Laptops and Notebooks under Production Linked Incentive 2.0 Scheme ("PLI").

b) Entered into a Contract Manufacturing Agreement with Compal Smart Device India Private Limited ("Compal") for manufacturing of mobile phones for Compal and its designated customers.

c) Entered into an Agreement with Xiaomi Tech India Private Limited for undertaking manufacturing of smart phones and other related products for Xiaomi.

Your Company's ranking in terms of market capitalization as on 31st March, 2024 was 171 at BSE Limited and 170 at National Stock Exchange of India Limited.

## Appropriations

The Directors are pleased to recommend a dividend of ₹ 5/- per equity share of face value of ₹ 2/- each (@ 250 %), payable to those shareholders whose name appears in the Register of members of your Company as on Wednesday, 18th September, 2024. The payment of dividend shall be subject to approval of shareholders at the ensuing Annual General Meeting ("AGM") to be held on Wednesday, 25th September, 2024. The total cash outflow on account of the payment of Dividend would be ₹ 29.91 Crores (approx).

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

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

The Register of Members and Share Transfer Books of your Company shall remain closed from 19th September, 2024 to 25th September, 2024 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 2024 at the ensuing Annual General Meeting.

## Transfer to Reserves

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

## Share Capital Structure

The changes in the share capital structure of the Company during FY 2023-24 is as under:

| Particulars | No. of Equity Shares | Face Value (₹) | Paid up Share Capital (₹) |
|---|---|---|---|
| Paid up share Capital as on 1st April, 2023 | 5,95,60,165 | 2/- | 11,91,20,330 |
| Equity Shares allotted under ESOP schemes during the year under review | 2,61,430 | 2/- | 5,22,860 |
| Paid up share capital as on 31st March, 2024 | 5,98,21,595 | 2/- | 11,96,43,190 |

During the year under review, there was no change in the Authorised Share capital of the Company.

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

## Employees Stock Options (ESOPs)

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

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

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

During the year under review, the share allotment committee allotted 6,300 equity shares of ₹ 2/- each pursuant to exercise of employee stock options by eligible employees under DIXON ESOP 2018.

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

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

The members of your Company at 27th Annual General Meeting held on 29th September, 2020 approved DIXON TECHNOLOGIES (INDIA) LIMITED- EMPLOYEE STOCK OPTION PLAN- 2020 **("DIXON ESOP 2020")** for the present and/or future permanent employees of your Company and its present and future subsidiary Company(ies) **("Employees")**. The Board had delegated the allotment of shares, in one or more tranches to the employees of your Company and its subsidiaries pursuant to exercise of stock options vested with them in accordance with DIXON ESOP 2020 to the Share Allotment Committee.

During the year under review, the share allotment committee allotted 2,55,130 equity shares of ₹ 2/- each pursuant to exercise of employee stock options by eligible employees under DIXON ESOP 2020.

### DIXON TECHNOLOGIES (INDIA) LIMITED- EMPLOYEE STOCK OPTION PLAN- 2023 ("DIXON ESOP 2023")

The members of your Company vide postal ballot dated 3rd December, 2023 approved DIXON TECHNOLOGIES (INDIA) LIMITED- EMPLOYEE STOCK OPTION PLAN- 2023 **("DIXON ESOP 2023")** for the present and/or future permanent employees of your Company and its present and future subsidiary Company(ies), Associate Company(ies) including its Joint Venture Company(ies) **("Employees")**. The Board had delegated allotment of 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 2023 to Share Allotment Committee.

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

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

## Credit Ratings

During the year under review, the Credit Ratings of the Company as provided by ICRA Limited are as follows:

| Type | Date | Facility | Rating | Remarks |
|---|---|---|---|---|
| Bank Loan Facility | 29th November, 2023 Re-affirmed | Fund based and non-fund based | Long term ICRA AA - (POSITIVE); Short Term ICRA A1+ (Re-affirmed) | Long term and short term rating were re-affirmed and assigned for enhanced limits. |

During the year under review, ICRA Limited has vide its letter dated 29th November, 2023, re-affirmed its ratings and revised the outlook on the long term rating from Stable to Positive. The same were also intimated to the stock exchanges on 29th November, 2023.

## Investor Education and Protection Fund

During the year under review, there is no amount which is required to be transferred to the Investor Education and Protection Fund ("IEPF") as per the provisions of Section 125(2) of the Companies Act, 2013 ("Act").

## 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 2023-24. There were no unclaimed or unpaid deposits lying with your Company.

Hence reporting of any non- compliance with the requirement of Chapter-V of Act "Acceptance of Deposits by Companies" is not applicable on your Company.

## Change in the Nature of Business

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

## Consolidation of Financials

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

## Subsidiaries, Joint Ventures or Associate Companies and their financial performances

### Subsidiaries

1. **Padget Electronics Private Limited**

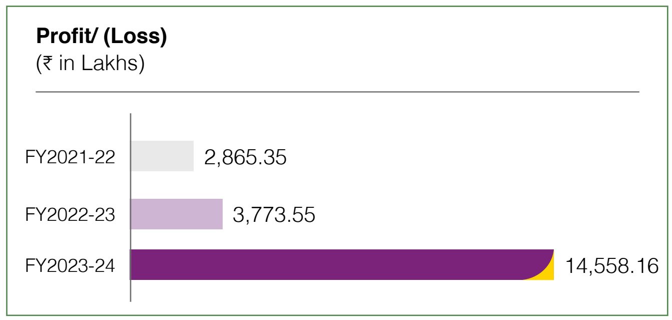
   Padget Electronics Private Limited ("PEPL") is a 100% Subsidiary of your Company.

   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 and manufacturing of IT Hardware products such as Laptops as well. PEPL currently manufactures feature phones, smart phones, PCBA for mobiles with a backward integration framework.

   During the year under review, PEPL had inaugurated new state of the art smartphone manufacturing plant at an annual capacity of 25 million units in the Noida district of Uttar Pradesh on 30th November, 2023 where PEPL has already commenced the production of smartphones for global technology giant Xiaomi India.

   Further, during the year under review, PEPL has been awarded manufacturing contract by Lenovo for manufacturing of IT Hardware products i.e., Laptops and Notebooks under Production Linked Incentive 2.0 Scheme.

   PEPL reported a profit of ₹ 14558.16 Lakhs in F.Y. 2023-24 (previous year profit: ₹ 3773.55 Lakhs).

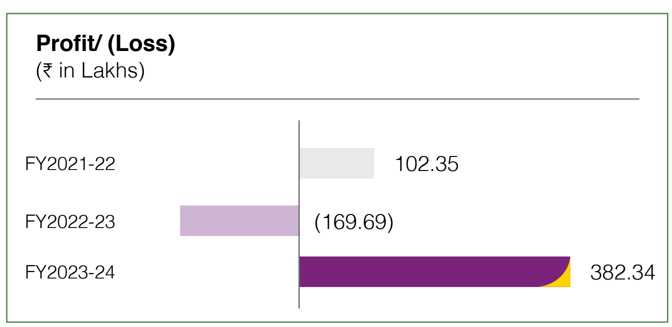



2. **Dixon Electro Appliances Private Limited**

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

   DEAPL is principally engaged in the business of manufacturing of telecom and networking products wherein the annual production capacity for GPON ONT stands at 72 Lakhs units p.a., and for set top boxes stands at 24 Lakhs units p.a.

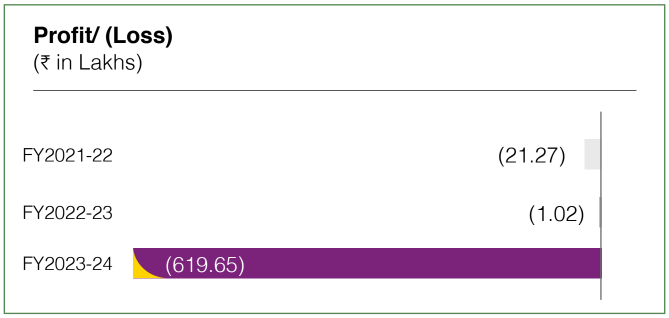
   It has reported a Profit of ₹ 382.34 Lakhs in F.Y. 2023-24 (previous year loss: ₹ (169.69) Lakhs)



3. **Dixon Electro Manufacturing Private Limited**

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

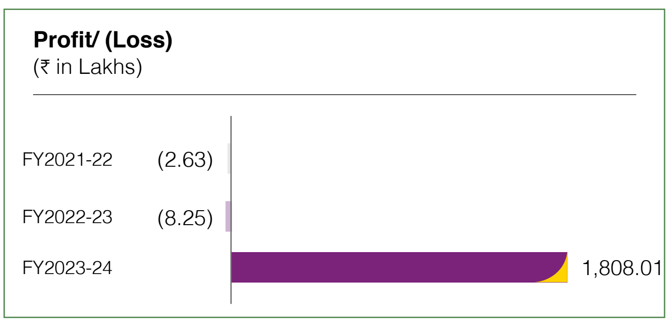
It has reported a loss of ₹ (619.65) Lakhs in F.Y. 2023-24 (previous year loss: ₹ (1.02) Lakhs)




4. **Dixon Technologies Solutions Private Limited**

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

It has reported a Profit of ₹ 1808.01 Lakhs in F.Y. 2023-24 (previous year loss: ₹ (8.25) Lakhs)

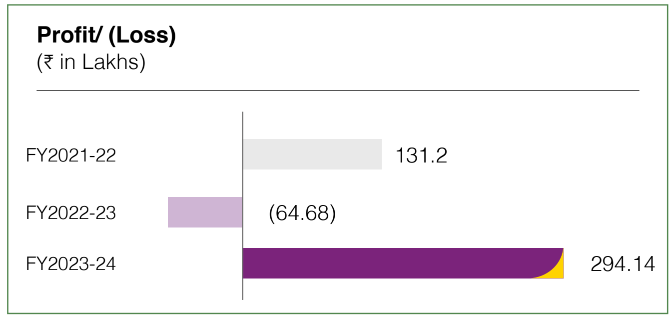



5. **Dixon Global Private Limited**

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.

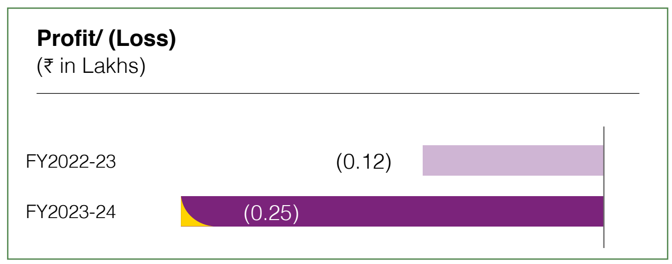
DGPL reported a Profit of ₹ 294.14 Lakhs in F.Y. 2023-24 (previous year loss: ₹ (64.68) Lakhs).




6. **Dixtel Communications Private Limited**

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

During the year, it has reported a loss of ₹ (0.25) Lakhs (previous year loss of ₹ (0.12) lakhs).




7. **Dixon Infotech Private Limited**

Dixon Infotech Private Limited ("Dixon Infotech") is a 100% Subsidiary of your Company and has been incorporated on 25th August, 2023. The Company is yet to commence its business operations.

During the year, it has reported a loss of ₹ (0.12) Lakhs.

8. **Dixtel Infocom Private Limited**

Dixtel Infocom Private Limited ("Dixtel Infocom") is a 100% Subsidiary of your Company and has been incorporated on 20th September, 2023.

During the year, it has reported a loss of ₹ (0.85) Lakhs. The Company is yet to commence its business operations.

### Joint Venture/ Associate Companies

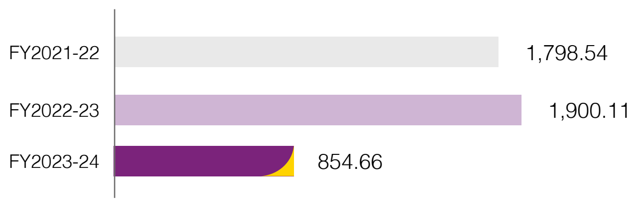
1. **AIL Dixon Technologies Private Limited**

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

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

ADTPL reported a Profit of ₹ 854.66 Lakhs in F.Y. 2023-24 (previous year profit: ₹ 1900.11 Lakhs).

**Profit/ (Loss)**
(₹ in Lakhs)

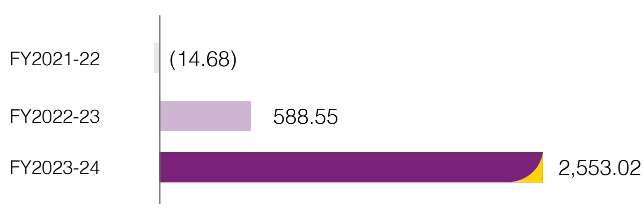



### 2. Rexxam Dixon Electronics Private Limited

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

It has reported a profit of ₹ 2553.02 Lakhs in F.Y. 2023-24 (previous year profit: ₹ 588.55 Lakhs)

**Profit/ (Loss)**
(₹ in Lakhs)




### 3. Califonix Tech and Manufacturing Private Limited

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

In the past year, Califonix had embarked on a significant venture by commencing the manufacturing of TWS Earbuds for boAt. The manufacturing unit, situated in Noida, Uttar Pradesh, boasts an impressive annual production capacity of 36 million units of TWS Earbuds.

It has reported a profit of ₹ 1040.22 Lakhs in F.Y. 2023-24 (previous year loss: ₹ (146) Lakhs)

**Profit/ (Loss)**
(₹ in Lakhs)


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 had declared any Dividend during the Financial Year 2023-24.

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

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

- Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by your Company's Audit Committee;
- Minutes of Board meetings and Committee(s) of subsidiary companies are placed before the Company's Board regularly;
- A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board;

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

Furthermore, pursuant to Regulation 24A of SEBI Listing Regulations, the Secretarial Audit report (MR-3) of Material Subsidiary i.e Padget Electronics Private Limited forms part of the Annual Report.

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

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

## Related Party Transactions

In line with the requirements of the Act and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at https://dixoninfo.com/json/dixon/codes-policy/Dixon_Related-Party-Transaction-Policy.pdf. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between your Company and Related Parties. The said policy was last amended on 23rd May, 2023.

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

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

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

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

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

## Future Outlook

The Company remains focused on driving sustainable growth and expanding its footprint in the electronics manufacturing services (EMS) industry. The increasing prevalence of remote work, the expansion of IoT devices and the continuous rollout of 5G networks have all contributed to an increased demand for networking hardware. The company plans to leverage its strong financial position and operational capabilities to capitalise on emerging opportunities and cater to the evolving needs of its customers.

In the mobile phone segment, Dixon aims to further strengthen its position as a leading manufacturer by adding more brands to its portfolio and expanding its manufacturing base. The company is building a dedicated R&D team and laboratory to offer new and industry-leading products in this segment. Additionally, Dixon is actively pursuing vertical integration opportunities in the mobile component ecosystem to enhance its value proposition and profitability.

The IT hardware segment presents significant growth potential for the company. The increasing digitisation of the public sector is a significant driver for the IT hardware market. With the approval under the revised IT hardware PLI scheme, Dixon is well-positioned to capitalise on the increasing demand for locally manufactured laptops, tablets and other IT products. The company plans to deepen its engagement with existing customers and actively pursue new partnerships with global brands.

Dixon is also focusing on diversifying its product offerings across various business verticals. In the consumer electronics segment, the company plans to introduce new products, such as commercial displays and interactive boards, leveraging its expertise in backward integration and ODM solutions. The lighting business will witness the launch of professional lighting solutions, smart lighting products based on Bluetooth mesh technology and an increased focus on exports to developed markets. The company is also exploring opportunities in emerging segments, such as automotive electronics and defence electronics, aligning with the government's "Make in India" initiative and the growing demand for localised manufacturing.

Furthermore, the Company is dedicated to investing in new ventures and expanding its current product lines. With a strong focus on strengthening its financial position and creating value for all stakeholders, the company is in a favourable position to take advantage of the incentives and policies in place that are expected to make India one of the most attractive manufacturing destinations and set a benchmark for exceptional growth in the electronics manufacturing sector.

## Corporate Governance

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

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

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

## Board of Directors, Its Committees and Meetings thereof

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

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

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

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

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

The agenda and notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of your Company met 6 (six) times during the Financial Year 2023-24 i.e. on 10th May, 2023, 23rd May, 2023, 25th July, 2023, 26th October, 2023, 31st January, 2024 and 11th March, 2024.

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

A detailed update on the Board & its Committees, composition thereof, number of meetings held during Financial Year 2023-24 and attendance of the Directors at such meeting is provided in the section **"Board of Directors"** of **"Corporate Governance Report"**.

## Committees of the Board

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

a. Audit Committee

b. Nomination and Remuneration Committee

c. Corporate Social Responsibility Committee

d. Stakeholders' Relationship Committee

e. Risk Management Committee

f. Executive Committee

g. Share Allotment Committee

h. Research & Development Committee

i. Environmental, Social and Governance Committee (ESG 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"**. Also, there had been no instances where Board has not accepted any recommendations of any Committee.

## Management Discussion and Analysis Report

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

## Vigil Mechanism

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

## Risk Management Committee/ Policy

The Company has in place mechanisms to identify, assess, monitor and mitigate various risks faced or may be faced by the Company. Such risks are addressed on timely basis and adequate actions are taken accordingly. To ensure that the internal control systems are as per the best industry standards, the same are reviewed at regular intervals.

Your Company has also adopted risk management policy, which covers Six aspects: Strategic risks, Operational Risks, Compliance Risks, Financial & Reporting Risks, Sustainability Risks and Cyber Security Risks. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The risk management policy is available on the website of the Company and can be accessed at: https://dixoninfo.com/json/dixon/codes-policy/Risk%20Management%20Policy%20-%2018062022.pdf.

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

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

a. Using firewalls on the network.

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

c. Company has a Strong password policy.

d. Automatic backup is scheduled for critical users.

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

f. External drives are blocked.

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

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

## Adequacy of Internal Controls systems and Compliance with Laws

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

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

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

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

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

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

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

## Annual Return

The draft Annual Return of your Company for the FY 2023-24 in form MGT-7 in accordance with the Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014 has been placed on the website at www.dixoninfo.com.

The link to access Annual Return for previous Financial year 2022-23 is https://www.dixoninfo.com/agm.php

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

### Directors

During the year under review, Mr. Sunil Vachani (DIN: 00025431), Executive Chairman was liable to retire by rotation and being eligible offered himself for re-appointment and he was duly appointed by the shareholders at the 30th Annual General Meeting. Also, during the year, Mr. Arun Seth (DIN No.: 00204434) on the recommendation of the Nomination & Remuneration Committee, was appointed as Non-Executive and Independent Director by the Shareholders of the Company at the 30th Annual General Meeting of the Company held on 29th September, 2023.

Further, Mr. Keng Tsung Kuo was re-appointed as Non-Executive and Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. 12th April, 2024. The said re-appointment was approved by the Shareholders at the 30th AGM of the Company held on 29th September, 2023.

## Key Managerial Personnel (“KMPs”)

Pursuant to the provisions of Section 203 of the Act, as on 31st March, 2024 Mr. Sunil Vachani, Executive Chairman & Whole Time Director, Mr. Atul B Lall, Vice Chairman & Managing Director, Mr. Saurabh Gupta, Chief Financial Officer and Mr. Ashish Kumar, Chief Legal Counsel & Group Company Secretary of the Company are the KMPs of your Company.

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

## Directors Liable to Retire by Rotation

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Act read with Articles of Association of your Company, Mr. Atul B. Lall (DIN: 000781436) is liable to retire by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

## Declaration of Independent Directors of the Company

As on date of this report, the Board comprises of 8 (Eight) Directors. The composition includes 6 (Six) 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 and their continued registration in the databank as maintained by the Indian Institute of Corporate Affairs (“IICA”) in line with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

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.

In the opinion of the Board, there has been no change in the circumstances, which may affect their status as Independent Director of the Company and the Board is satisfied with the integrity, expertise, experience including proficiency of all the Independent Directors on the Board.

## 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 responsibilities as Directors, working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company and can be accessed at web link https://dixoninfo.com/json/dixon/codes-policy/Familiarization%20Programme%20For%20Independent%20Directors.pdf.

## Board and Director’s Evaluation

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

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

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

## Separate Meeting of Independent Directors

Pursuant to Schedule IV to the Act and SEBI Listing Regulations, one meeting of Independent Directors was held during the year i.e. on 31st January, 2024, without the attendance of non- independent Directors and members of Management.

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

## Auditors & Auditors' Report

| **Statutory Auditors** | |
|---|---|
| M/s S. N. Dhawan & Co LLP | M/s S. N. Dhawan & Co LLP (Firm registration number: 000050N/N500045) were re-appointed as Statutory Auditors of your Company at the 30th Annual General Meeting held on 29th September, 2023, for a second term of five consecutive years from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company. Further they have also confirmed their eligibility under Section 141 of the Act and rules made thereunder. Also, as per the SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer review Board.<br>The Independent Auditors Report given by the Auditors on the financial statement (Standalone and Consolidated) of your Company forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. |
| **Secretarial Auditors** M/s Shirin Bhatt & Associates, Practicing Company Secretaries | Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held on 27th May, 2021 had appointed M/s Shirin Bhatt & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2021-22 and onwards.<br>The Secretarial Audit Report (MR-3) for the financial year ended 31st March, 2024 is annexed herewith as **Annexure – II**. The said Secretarial Audit report does not contain any qualification, reservation or adverse remark. |
| **Cost Auditors**- M/s Satija & Cost Associates, Accountants | In terms of the Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and get them audited every year from Cost Auditor and accordingly such accounts and records are maintained by your Company.<br>The Board of Directors, on the recommendation of the Audit Committee, appointed M/s Satija & Associates., Cost Accountants, as Cost Auditors to audit the cost accounts of your Company for the Financial Year 2024-25 at its meeting held on 15th May, 2024. The Cost Audit Report for the FY 2023-24 will be filed by the Company with the Ministry of Corporate Affairs, in due course.<br>As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members in the General Meeting for their ratification. Accordingly, a resolution seeking members' ratification forms part of the notice of 31st Annual General Meeting of the Company. |
| **Internal Auditors-** 1.M/s Ernst & Young LLP | M/s Ernst & Young LLP., is acting as Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2021-22 and onwards, appointed at the Board Meeting held on 27th May, 2021.<br>During the period under review, M/s Ernst & Young LLP., performed the duties of internal auditors of your Company and their report is reviewed by the Audit Committee. |
| 2.M/s Protiviti India Member Private Limited | M/s Protiviti India Member Private Limited based on the recommendations of the Audit Committee, was appointed as the Internal Auditors for the Mobile Vertical of the Company on 27th July, 2022 for the FY 2022-23 and onwards.<br>During the period under review, M/s Protiviti India Member Private Limited, performed the duties of internal auditors of your Company and their report is reviewed by the Audit Committee. |

## Corporate Social Responsibility (CSR)

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

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

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

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

## Business Responsibility and Sustainability Report (BRSR)

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

Further, SEBI vide notification issued in May 2021 has introduced a new sustainability related report "Business Responsibility and Sustainability Report" (BRSR), which has replaced the existing BRR. The BRSR is a notable departure from the existing BRR and a significant step towards bringing sustainability reporting at par with the financial reporting. BRSR Reporting has become mandatory for the top 500 listed entities based on market capitalization from FY 2022-23 and onwards, therefore, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the BRSR for the financial year ended 31st March 2024 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report. as **Annexure-IV**.

### Environmental, Social and Governance ("ESG")

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

The Company's sustainability strategy comprehensively addresses key ESG factors that exert significant influence over our business operations and stakeholders. The Company meticulously assess opportunities and risks, formulating both short-term, medium term and long-term strategies to ensure the sustainable growth of our organization. To assess the ESG factors applicable on the Company, the Company has established a ESG Committee on 25th July, 2023.

In line with the ESG philosophy of the Company, the Company ensures that (a) it does not employ forced or child labour, (b) minimize carbon emissions, (c) it ensures no discrimination on the basis of caste, sex, religion or otherwise (d) judiciously use its water resources and (e) provide good and hygienic working conditions to its employees and workers.

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

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

### Green Initiative

Your Company has implemented the **"Green Initiative"** to enable electronic delivery of notice/documents/ annual reports to shareholders. Electronic copies of the Annual Report for the F.Y. 2023-24 and notice of the 31st 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. 30th August, 2024. For members, who have not registered their e-mail addresses are requested to update your e-mail ids with your respective Depository Participants in order to contribute to aforesaid Green Initiative Programme and members holding shares in physical can follow the process detailed in the Notice of 31st Annual General Meeting.

Pursuant to the provisions of Section 108 of the Act and rules made thereunder, your Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of 31st Annual General Meeting beginning from 9:00 a.m. on 22nd September, 2024 till 5:00 p.m. on 24th September, 2024. The instructions for e-voting are provided in the Notice of the Annual General Meeting. In furtherance of the aforesaid principle of **"Green Initiative"**, your Company has decided to forego the practice of printing financial statements of its subsidiary as part of the Company's Annual Report with a view to help the environment by reducing paper consumption.

However, the audited financial statements of the subsidiary(ies) along with Auditors' Report thereon are available on our website www.dixoninfo.com

## Human Resources

Your Company employs 7,649 Individuals (On Standalone basis) (including third party contractual employees) which is its most valuable asset, which propel the Company forward through their competencies, skills, and knowledge. The Company provides to its employees a supportive and safe working environment at the workplace. To foster a caring community, the Company recognises that having good staff relations and a motivated workforce plays a vital role in the Company's efficient operations. Your Company has always promoted employees (including workers) to actively participate in various engagement activities which the company organizes every month. The Human Resource Department creates a yearly engagement calendar and monitors it on monthly basis. Last year company organized multiple engagement activities for its employees. Some of the employee engagement activities are showcased below:

1. Yoga Workshops
2. Breast Cancer Awareness month
3. Health, Eye, Dental and Dietician Camps
4. Live telecast of Chandrayaan-3 landing on moon
5. Monthly Birthday celebrations

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

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

### Measures taken to motivate employees

ESOP's is one of the way of motivating the employee that is generally given based on the performance of the individual. Further, learning and development is considered to be one of the important aspects of the organization. Therefore, your company has framed a 3 year learning roadmap focusing on enhancing technical, functional, managerial and leadership qualities. Dixon also conducts Dixon STAR supervisor workshops wherein supervisors are assessed and suitably awarded in each unit of Dixon.

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

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

### Awards and Accreditations

As per the Great Place to Work ("GPTW") survey results, your Company has been certified as "GREAT PLACE TO WORK" for a continuous Third year from January, 2024 till January, 2025.

Also, Mr. Sunil Vachani, Executive Chairman has been conferred with "Entrepreneur of the year award by Forbes India under Forbes Leadership Awards 2024. He has also been elected as President (South) of Consumer Electronics and Appliances Manufacturers Association ("CEAMA").

Mr. Atul B. Lall has also been elected as President of Electronic Industries Association of India ("ELCINA").

## Particulars of Employees and Remuneration

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

## 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. The policy can be accessed at the following Link: https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy-1908.pdf.

During the year, the Nomination & Remuneration policy of the Company was aligned with the best industry practices. The policy inter-alia includes appointment and removal of Director, KMP and Senior Management Employees and their remuneration thereof.

## 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 constituted Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The said Committee is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

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

No. of complaints received: 2

No. of complaints disposed of: 2

No. of complaints pending: 0

Also, the Company had organized training programmes concerning sexual harassment from time to time, for its employees and staff. The said training programmes and workshop were helpful in creating necessary awareness and to encourage cooperative environment in the organisation. From time to time the Internal Complaints Committee organises awareness sessions at the manufacturing facilities of the Company. During the year under review, the Company organised 40 workshops or awareness programmes on sexual harassment (from 1st January, 2023 till 31st December, 2023).

## Reporting of Fraud By auditors

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

## Disclosure in Respect of Voting Rights not Exercised Directly By Employees

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

## Compliance of Applicable Secretarial Standard

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

## Listing on Stock Exchanges

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

## Directors Responsibility Statement

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

a. in the preparation of the annual accounts for the financial year ended 31st March, 2024, 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, 2024, 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, 2024 forms part of the Management Discussion and Analysis Report.

## Cautionary Statement

The information in the Annual report describing the Company's objectives and projections may constitute 'forward looking statements' within the meaning of applicable rules, laws and regulations. Although the actual results may differ.

## Acknowledgment

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

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

| | | |
|---|---|---|
| | Sd/- | Sd/- |
| | **Sunil Vachani** | **Atul B. Lall** |
| Date: 30th July, 2024 | Executive Chairman | Vice Chairman &Managing Director |
| Place: Noida | DIN:00025431 | DIN:00781436 |

# Annexure-I

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

Dixon Technologies (India) Limited has laid down three stock option plans viz. Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ("Dixon ESOP 2018"), Dixon Technologies (India) Limited — Employee Stock Option Plan, 2020 ("Dixon ESOP 2020") and Dixon Technologies (India) Limited — Employees Stock Option Plan, 2023 ("DIXON ESOP 2023"), which provides for the grant of Stock options convertible into equal number of equity shares of the company to the eligible employees of the company, subsidiary companies, Joint Venture Companies and Associate Companies, in accordance with members approval accorded at the 25th Annual General Meeting, 27th Annual General Meeting and Postal Ballot dated 03rd December, 2023 of the Company, respectively. Pursuant to the said ESOP Plans, stock options have been granted to the employees of the Company, its subsidiaries, Joint Venture Companies.

Further, Dixon ESOP 2018 and Dixon ESOP 2020 have been laid down in accordance with the terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 while DIXON ESOP 2023 has been laid down in accordance with the terms of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and a certificate to this effect from Secretarial Auditors of the Company, M/s Shirin Bhatt & Associates, will be placed at the ensuing Annual General Meeting. The Company has not amended the Plans during the financial year 2023-24.

**A. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time.**

Relevant details have been provided in Note no. 48 of the Notes to Standalone Financial Statements forming part of the Annual Report 2023-24 of the Company. The said disclosure has also been placed on the website of your Company and may be accessed at https://dixoninfo.com/agm.php

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations is disclosed in the following Section C in accordance with 'Accounting Standard 20 -** Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. The diluted EPS on issue of shares pursuant to the above mentioned schemes stand at ₹ 30.93 on standalone basis & ₹ 62.46 on consolidated basis for the FY 2023-24.

**C. General Terms and Conditions**

| Sl. No | Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | Dixon ESOP 2023 |
|---|---|---|---|---|
| 1 | General Terms and Conditions | | | |
| A | Date of shareholders' approval | 25th July, 2018 | 29th September, 2020 | 03rd December, 2023 |
| B | Total number of options approved under ESOP | 25,00,000 | 15,00,000 | 20,00,000 |
| 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) year 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) year and not more than 5 (five) 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) year and not more than 3 (Three) years from the date of grant of options. Vesting may happen in one or more tranches. |

| Sl. No | Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | Dixon ESOP 2023 |
|---|---|---|---|---|
| D. | Exercise price or pricing formula | The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the date of meeting of committee on which grant is to be made.<br>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 | | The Compensation Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case, the discount on grant price of the stock options shall not be more than 15% of the market price of the shares of the Company 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. 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 maximum period of Three years from the date of grant of options.<br>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 maximum period of Five years from the date of grant of options.<br>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. | The options granted under Scheme shall vest as may be decided by the Compensation Committee but shall not be more than 3 (Three) years from the date of grant of options.<br>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. |
| 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. | | |
| 2 | Method used to account for ESOP | Fair Value Method | | |
| 3 | Employee wise details of options granted during the year to:<br>KMP / Senior Managerial Personnel | None | None | The details are available on the website of the Company at [https://www.dixoninfo.com/agm.php](https://www.dixoninfo.com/agm.php) |
| | 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 | None |

| Sl. No | Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | Dixon ESOP 2023 |
|---|---|---|---|---|
| | 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 | None |

| Sl. No | Particulars | Dixon ESOP 2018 | | | | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| 4 | Weighted-average exercise price | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** |
| | | when the exercise price is less than market price: ₹ 372.96/- | when the exercise price is less than market price: ₹ 418.516/- | when the exercise price is less than market price: ₹ 1434.312/- | when the exercise price is less than market price: ₹ 3458.52/- | when the exercise price is less than market price: ₹ 1538.262/- | when the exercise price is less than market price: A. 75,000 equity shares @ ₹ 2,563.59/- B. 25,000 equity shares @ ₹ 2,777.22/- C. 66,500 equity shares @ ₹ 3,631.75/- | when the exercise price is less than market price: ₹ 2,617.67/- | when the exercise price is less than market price: ₹ 4628.76/- | when the exercise price is less than market price: ₹ 5909.46/- |
| 5 | Weighted-average fair values of options | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| | | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** | when the exercise price is equal/ exceeds to market price: **Not Applicable** |
| | | when the exercise price is less than market price: ₹ 153.73/- each | when the exercise price is less than market price: ₹ 256.12/- each | when the exercise price is less than market price: ₹ 459.554/- each | when the exercise price is less than market price: ₹ 1880.66/- each | when the exercise price is less than market price: ₹ 754.826/- each | when the exercise price is less than market price: A. 75,000 equity shares @ ₹ 2890.83/- B. 25,000 equity shares @ ₹ 2803.95/- C. 66,500 equity shares @ ₹ 2491.62/- | when the exercise price is less than market price: ₹ 1513.77/- | when the exercise price is less than market price: ₹ 2,674.26/- | when the exercise price is less than market price: ₹ 2775.05/- |

| Sl. No | Particulars | Dixon ESOP 2018 | | | | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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).<br>Some of the basic assumptions used in the Black-Scholes model are –<br>**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<br>**Interest rates remain constant and known:** The Black -Scholes model uses the risk-free rate to represent this constant and known rate.<br>**Returns are normally distributed:** This assumption suggests returns on the underlying stock are normally distributed.<br>**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.<br>**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 I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| | | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 414.4/- per share. | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 597.88/- per share. | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 1593.68/- per share. | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e 4323.15/- per share. | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 1809.72/- per share. | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e. ₹ 4272.65/- per share. | The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 2755.45/- per share. | 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 ₹ 5,445.60/- 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. ₹ 6952.30/- per share. |
| 8 | Exercise Price | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| | | ₹ 372.96/- | ₹ 418.516/- | ₹ 1434.312/- | ₹ 3458.52/- | ₹ 1538.262/- | A. 75,000 equity shares @ ₹ 2,563.59/-<br>B. 25,000 equity shares @ ₹ 2,777.22/-<br>C. 66,500 equity shares @ ₹ 3,631.75/- | ₹ 2,617.67/- | ₹ 4,628.76/- | ₹ 5909.46/- |
| 9 | Expected Volatility | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| | | Vest 1; Vest 2 & Vest 3 is 36.37% | Vest 1 & Vest 2 is 36.05% | Vest 1 is 45.61% | Vest 1: 44.06%<br>Vest 2: 43.61%<br>Vest 3: 41.78% | Vest 1: 47.88%<br>Vest 2: 41.82%<br>Vest 3: 41.14%<br>Vest 4: 41.14%<br>Vest 5: 41.14% | Vest 1, Vest 2, Vest 3, Vest 4 & Vest 5 is 40.43% | Vest 1, Vest 2, Vest 3, Vest 4 & Vest 5 is 40.79% | Vest 1: 39.60%, Vest 2: 41.64%, Vest 3: 41.63%, Vest 4: 40.31%, Vest 5: 39.87% | Vest 1: 37.79%<br>Vest 2: 36.81%<br>Vest 3: 38.06% |
| 10 | Expected Option Life | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| | | The Options granted will vest over a maximum period of 3 years from the date of grant. | The Options granted will vest over a maximum period of 2 years from the date of grant. | The Options granted will vest over a maximum period of 1 year from the date of grant. | The Options granted will vest over a maximum period of 3 years from the date of grant. | The Options granted will vest over a maximum period of 5 years from the date of grant. | The Options granted will vest over a maximum period of 5 years from the date of grant. | The Options granted will vest over a maximum period of 5 years from the date of grant. | The Options granted will vest over a maximum period of 5 years from the date of grant. | The Options granted will vest over a maximum period of 3 years from the date of grant. |
| 11 | Expected Dividends | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| | | The Dividend Yield is 0.06%. | The Dividend Yield is 0.07%. | The Dividend Yield is 0.09%. | The Dividend Yield is 0.07%. | The Dividend Yield is 0.09%. | The Dividend Yield is 0.07%. | The Dividend Yield is 0.07%. | The Dividend Yield is 0.23% | The Dividend Yield is 0.07% |

| Sl. No | Particulars | Dixon ESOP 2018 | | | | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** | **Grant II** | **Grant III** | **Grant IV** | **Grant I** |
| 12 | The risk-free interest rate | The Risk free rate for first, second and third vesting is 7.65%, 7.65% and 7.68% respectively. | The Risk free rate for first and second vesting is 6.08% respectively. | The Risk free rate for vesting is 4.19% respectively. | The Risk free rate for first, second and third vesting is 5.20%, 5.45% and 5.67%, respectively. | The Risk free rate for first, second, third, fourth and fifth vesting is 3.93%, 4.42%, 4.82%, 5.17% and 5.45% respectively. | A. The Risk free rate for first, second, third, fourth and fifth vesting is 7.39%, 7.41%,7.42%, 7.44%, 7.44%.<br>B. The Risk free rate for first, second, third, fourth and fifth vesting is 7.39%, 7.41%,7.42%, 7.44%, 7.44%.<br>C. The Risk free rate for first, second, third, fourth and fifth vesting is 7.39%, 7.41%,7.42%, 7.44%, 7.44%. | The Risk free rate for first, second, third, fourth and fifth vesting is 7.20%, 7.21%, 7.22%, 7.23% and 7.24% respectively. | The Risk free rate for first, second, third, fourth and fifth vesting is 7.27%, 7.28%, 7.29%, 7.30% and 7.30% respectively. | The Risk free rate for first, second and third vesting is 6.96%, 6.97% and 6.99% 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 & Dixon ESOP 2023 (Nominal value of share ₹ 2/-) | ₹ 30.93 (Standalone basis)<br>₹ 62.46 (Consolidated basis) | | | | | | | | |

## OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2018

| Particulars | Details of Dixon ESOP 2018 |
|---|---|
| **Options outstanding at the beginning** | |
| Dixon ESOP 2018- Grant- IV | 22,500 |
| **Options Granted during the year** | |
| Dixon ESOP 2018 | - |
| **Options Forfeited and expired during the year** | |
| Dixon ESOP 2018 – Grant IV | 1500 |
| **Number of options vested during the year** | |
| Dixon ESOP 2018- Grant IV | 12,600 |
| **Options Exercised during the year and number of shares arising as a result of exercise of options** | |
| Dixon ESOP 2018- Grant IV | 6,300 |
| **Money Realized by exercise of options** | |
| Dixon ESOP 2018- Grant IV | 2,17,88,676 |
| **Outstanding at the end** | |
| Dixon ESOP 2018- Grant IV | 8,400 |
| Options Exercisable at the end | 6,300 |

**Note:-** Stock Options granted under Grant I, II, and III of the Dixon ESOP 2018 are fully exercised and there are no outstanding shares available for exercise in said grants during the FY 23-24.

## OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2020

| Particulars | Details of Dixon ESOP 2020 |
|---|---|
| **Options outstanding at the beginning** | |
| Dixon ESOP 2020- Grant I | 6,50,430 |
| Dixon ESOP 2020 – Grant II | A- 75,000<br>B- 25,000<br>C- 66,500 |
| Dixon ESOP 2020 – Grant III | 41,000 |
| **Options Granted during the year** | |
| Dixon ESOP 2020 – Grant IV | 23,000 |
| **Options Forfeited and expired during the year** | |
| Dixon ESOP 2020- Grant I | 9,040 |
| Dixon ESOP 2020- Grant II | B. 16,000<br>C. 42,500 |
| Dixon ESOP 2020- Grant III | 1,000 |
| Dixon ESOP 2020- Grant IV | 4,000 |
| **Number of options vested during the year** | |
| Dixon ESOP 2020- Grant I | 2,15,530 |
| Dixon ESOP 2020- Grant II | A. 15,000<br>B. 5,000<br>C. 12,800 |
| Dixon ESOP 2020- Grant III | 8,000 |
| **Options Exercised during the year and number of shares arising as a result of exercise of options** | |
| Dixon ESOP 2020- Grant I | 2,15,530 |
| Dixon ESOP 2020- Grant II | A. 15,000<br>B. 5,000<br>C. 11,800 |
| Dixon ESOP 2020- Grant III | 7,800 |
| **Money Realized by exercise of options** | |
| Dixon ESOP 2020- Grant I | 33,15,41,608.86 |
| Dixon ESOP 2020- Grant II | 9,51,94,600 |
| Dixon ESOP 2020- Grant III | 2,04,17,826 |
| **Outstanding at the end** | |
| Dixon ESOP 2020- Grant I | 4,25,860 |
| Dixon ESOP 2020- Grant II | A- 60,000<br>B- 4,000<br>C- 11,200 |
| Dixon ESOP 2020- Grant III | 32,000 |
| Dixon ESOP 2020- Grant IV | 19,000 |
| **Options Exercisable at the end** | |
| Dixon ESOP 2020- Grant II | C 1000 |
| Dixon ESOP 2020- Grant III | 200 |

## OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2023

| Particulars | Details of Dixon ESOP 2023 |
|---|---|
| **Options outstanding at the beginning** | |
| **Options Granted during the year** | |
| Dixon ESOP 2023 | 20,00,000 |
| **Options Forfeited and expired during the year** | - |
| **Number of options vested during the year** | - |
| **Options Exercised during the year and number of shares arising as a result of exercise of options** | - |
| **Money Realized by exercise of options** | - |
| **Outstanding at the end** | - |
| Dixon ESOP 2023 | 20,00,000 |
| **Options Exercisable at the end** | - |

# Annexure-II

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**Dixon Technologies (India) Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dixon Technologies (India) Limited** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### Auditor's Responsibility

1. Our responsibility is to express opinion on the compliance of the applicable laws and maintenance of records based on the evidences collected, information received and Records maintained by the Auditee or given by the Management.

2. We have conducted the audit in accordance with Auditing standards issued by the Institute of Company Secretaries of India (the "Standards") and the Standards require that we comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records. Accordingly, we have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the Auditee are free from misstatement.

3. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

### Our Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2024, 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, 2024 to ascertain the compliances of various provisions of:

a) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 (the "SCRA") and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"):

   i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

v) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

vi) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

vii) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

viii) *The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

*Not applicable as there was no reportable event during the audit period.

f) As confirmed by the management there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

**We further report that:**

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

b) Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except for meetings of the Board which were convened at shorter notice in compliance with Section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided at such meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through in each such meetings of the Board and committees of the Board. Further during the course of audit, we have not come across the views of dissenting members recorded as part of the minutes.

d) We further report that based on the information received and records maintained that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations, and guidelines.

We further report that during the audit period following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- The Company granted approval of Re-appointment of Mr. Keng Tsung Kuo (DIN: 03299647) as the Non-Executive and Independent Director of the Company for a second term of five consecutive years.
- The Company granted approval for the appointment of Mr. Arun Seth (DIN: 00204434) as Non-Executive and Independent Director of the Company and continuation of his office as Non-Executive and Independent Director beyond age of 75 years.
- The Company granted approval of Dixon Technologies (India) Limited- Employee Stock Option Plan, 2023 ("DIXON ESOP 2023").
- The Company granted stock options to the employees of Subsidiary Companies and Associate Companies, including Joint Venture Companies, under Dixon Technologies (India) Limited —Employees Stock Option Plan, 2023 ("DIXON ESOP 2023")
- The Company granted approval of remuneration of Mr. Prithvi Vachani, Assistant General Manager (Business Development) of the Company to hold office or place of profit in the Company.

**For Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

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

Place: Greater Noida
Date: May 16, 2024
UDIN: F008273F000378335

This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

**Annexure-A**

To,
The Members
**Dixon Technologies (India) Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial statements of the Company.

4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

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

Place: Greater Noida
Date: 16-05-2024
UDIN: F008273F000378335

# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**PADGET ELECTRONICS PRIVATE LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PADGET ELECTRONICS PRIVATE LIMITED** [Deemed public Company by virtue of proviso to Section 2(71) of the Companies Act, 2013] (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

## Auditor's Responsibility

1. Our responsibility is to express opinion on the compliance of the applicable laws and maintenance of records based on the evidences collected, information received and Records maintained by the Auditee or given by the Management.

2. We have conducted the audit in accordance with applicable Auditing standards issued by the Institute of Company Secretaries of India (the **"Standards"**) and the Standards require that we comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records. Accordingly, we have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the Auditee are free from misstatement.

3. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

## Our Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended **March 31st, 2024**, 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, 2024** 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

   ii) *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

**l) As confirmed by the management there are no laws which are specifically applicable to the Company.**

We have also examined compliance with the applicable clauses of the following:

I. Mandatory Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable as a wholly owned subsidiary of Dixon Technologies (India) Limited, a Public Company listed on National Stock Exchange of India Limited and BSE Limited.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Directors.

b) During the period under review the changes in the composition of the Board of Directors were carried out in compliance with the provisions of the Act.

c) Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance in compliance with Section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided at such meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

d) Majority decision is carried through in each such meetings of the Board and committees of the Board. Further during the course of audit, we have not come across the views of dissenting members recorded as part of the minutes.

e) We further report that based on the information received and records maintained that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc:

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

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

Place: Greater Noida
Date: 16-05-2024
UDIN: F008273F000380293

This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

**Annexure-A**

To,
The Members
**PADGET ELECTRONICS PRIVATE LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial statements of the Company.

4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

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

Place: Greater Noida
Date: 16-05-2024
UDIN: F008273F000380293

# Annexure-III

## CORPORATE SOCIAL RESPONSIBILITY REPORT

(Pursuant to Section 135 of the Companies Act, 2013)

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

Dixon Technologies (India) Limited ("Your Company") has been at the forefront of helping people rise and ensuring the social wellbeing of the communities in the proximity of its business operations through its Corporate Social Responsibility initiatives (CSR). Your Company endeavours to enhance livelihoods and embraces social developments in the field of education, healthcare, rural development, welfare of senior citizen, and environment sustainability as a whole. Your Company's CSR initiatives exhibit Company's commitment in creating empowered citizens and enhancing the lives of those in need, leading to a more secure and sustainable future.

Your Company is committed in making substantial improvements in the social framework of the nearby community. Initiatives to promote education were the focus of attention during the period under review, with significant events, programmes, and influence throughout the year.

Your Company has a CSR policy in place, to identify the activities relating to areas identified under Schedule VII of the Companies Act, 2013, hence serving as a beacon of inspiration for other like-minded organisations. For your Company, CSR is not only about adhering to statutory and legal compliances but also creating social and environmental value for its stakeholders thus contributing to build a better tomorrow for the society.

As a thought leader and a pioneer in CSR, your company is highly committed to ensure upliftment of economically backward sections of the society by developing infrastructure, promoting education, offering vocational training and various other skill development opportunities to ensure prosperity and well-being over the long term. The details are also provided on the website of the Company: https://dixoninfo.com/csr.php. The Board of Directors have adopted a CSR policy which inter-alia, provides implementation of CSR activities, CSR budget, CSR expenditure, Impact Assessment etc. in line with provisions of the Act.

### 2. The Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors constituted the Corporate Social Responsibility (CSR) Committee. The Members of CSR committee are as follows:

| Sl. No | Name of the Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Sunil Vachani | Chairman | 04 | 04 |
| 2 | Mr. Atul B. Lall | Member | 04 | 04 |
| 3 | Dr. Manuji Zarabi | Member | 04 | 04 |

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition: https://dixoninfo.com/board-committees.php

CSR Policy: https://dixoninfo.com/json/dixon/codes-policy/Corporate-Social-Responsibility-Policy.pdf

CSR Projects approved: https://www.dixoninfo.com/agm.php

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

**5. (a) Average net profit of the company as per sub-section (5) of section 135 are as follows:**

(Amount in ₹)

| S. No. | Financial Year | Net profit /(loss) |
|---|---|---|
| 1. | 2022-23 | 2,96,95,54,683 |
| 2. | 2021-22 | 2,082,454,000 |
| 3. | 2020-21 | 2,147,799,252 |
| | Average Net Profit | 2,39,99,35,978 |

**(b) Two percent of average net profit of the company as per section 135(5) is** ₹ 4,79,98,720/-.

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years –** Nil

**(d) Amount required to be set off for the financial year, if any-** Nil

**(e) Total CSR obligation for the financial year (5b+ 5c- 5d). –** ₹ 4,79,98,720 /-

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)-** ₹ 4,79,98,720 /-

**(b) Amount spent in Administrative Overheads -** Nil

**(c) Amount spent on Impact Assessment, if applicable -** Nil

**(d) Total amount spent for the Financial Year (6a+6b+6c) -** ₹ 4,79,98,720 /-

**(e) Details of CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer | Name of the Fund | Amount. | Date of transfer. |
| ₹ 4,79,98,720 | Nil | NA | | NA | |

**(f) Excess amount for set –off, if any –** Not applicable

(Amount in ₹)

| S.No. | Financial Year | Net profit /(loss) |
|---|---|---|
| i. | Two percent of average net profit of the company as per section 135(5) | 4,79,98,720 |
| ii. | Total amount spent for the Financial Year | 4,79,98,720 |
| iii. | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| iv. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| v. | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| SI No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ ). | Balance Amount in unspent CSR Account under Section 135(6) (in ₹) | Amount spent in the Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | Amount remaining to be spent in succeeding financial years. (in ₹). | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹). | Date of transfer. | | |
| 1 | 2022-2023 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2 | 2021-2022 | Nil | Nil | Nil | 2,00,000/- | 09th Sep, 2022 | Nil | Nil |
| 3 | 2020-2021 | Nil | Nil | Nil | 67,42,072/- | 24th Sep, 2021 and 27th Sep, 2021 | Nil | Nil |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

YES NO √

If yes, enter the number of Capital Assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year – **Not Applicable**

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

Not Applicable

| | | |
|---|---|---|
| | Sd/- | Sd/- |
| | **Sunil Vachani** | **Atul B. Lall** |
| Place: Noida | (Chairman) | (Vice Chairman & Managing Director) |
| Date: 30th July, 2024 | DIN:00025431 | DIN:00781436 |

# Annexure-IV

## Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of listed entity

| | |
|---|---|
| 1. Corporate Identity Number (CIN) of the Company | L32101UP1993PLC066581 |
| 2. Name of the Company | Dixon Technologies (India) Limited ("Dixon") |
| 3. Year of Incorporation | 1993 |
| 4. Registered Office Address<br>5. Corporate Address | B-14 & 15, Phase-2, District Gautam Buddha Nagar, Noida-201305, Uttar Pradesh |
| 6. Email Address | investorrelations@dixoninfo.com |
| 7. Telephone | 0120-4737200 |
| 8. Website | www.dixoninfo.com |
| 9. Financial Year Reported | 1st April, 2023 to 31st March, 2024 |
| 10. Name of the Stock Exchanges where shares are listed | 1. BSE Limited<br>2. National Stock Exchange of India Limited |
| 11. Paid-up Capital | ₹ 11,96,43,190 |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Ashish Kumar (Chief Legal Counsel & Group CS)<br>Tel: 0120-4737200<br>Email: investorrelations@dixoninfo.com |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosures in this report are made on Standalone Basis. |
| 14. Name of assurance provider<br>15. Type of assurance obtained | Not Applicable |

### II. Products/Services

**16. Details of business activities (accounting for 90% of the turnover)**

| Sl. No. | Description of Main Activity | Description of Business Activity | % of turnover of the Company |
|---|---|---|---|
| 1 | Manufacturing and Design | **Consumer Electronics:** Under the consumer electronics segment, Dixon primarily designs and manufactures LED TV and PCB. | 23% |
| | | **Lighting:** Company designs and manufactures lighting products like LED lights, tube lights, Indoor and Outdoor drivers. | 4% |
| | | **Home Appliances:** Company designs and manufactures semi and fully automatic washing machines. Under this product segment, fully ODM (Original Design Manufacturing) model is followed. | 7% |
| | | **Mobile Phone & EMS division & Others:** Manufactures mobile phones and the associated hearables and wearables and laptops for the globally recognized brands. | 62% |

### 17. Products/Services sold by the Company (accounting for 90% of the turnover)

| Sl. No. | Product/Service | NIC Code | % of total turnover contributed |
|---|---|---|---|
| 1 | Consumer Electronics | 26301 | 23% |
| 2 | Lighting | 27400 | 4% |
| 3 | Home Appliances | 27501 | 7% |
| 4 | Mobile & EMS Division & Others | 26305 | 62% |

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the Company are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 11 | 1* | 12 |
| International | 0 | 1** | 1 |

**Note:**

*Company has one office in Noida, which is also the Corporate Office of the Company in India

** Company has one International office located in China

The above units includes all owned as well as leased units under Dixon.

### 19. Markets served by the Company

#### a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | The Company sells its products in all the 28 states and 8 Union territories in the country. (The Company supplies the products to respective brand owners who further sell the products in the markets to the end customers) |
| International (No. of Countries) | The Company services in over 10 countries across the globe. |

#### b. What is the contribution of exports as a percentage of the total turnover of the Company?

0.10%

#### c. Types of customers

Dixon Technologies (India) Limited is one of the largest home grown design- focused and solutions Company engaged in manufacturing products in the consumer durables, lighting and mobile phones markets in India. Their diversified product portfolio includes (i) consumer electronics like LED TVs; (ii) home appliances like washing machines; (iii) lighting products like LED bulbs and tubelights, downlighters; (iv) mobile phones; and (v) CCTV & DVRs (vi) Wearables (vii) Refrigerators. Dixon also provides solutions in reverse logistics i.e. repair and refurbishment services of LED TV panels. Dixon, a prominent player in the electronics manufacturing and design industry, has established unparalleled market dominance over the years. Operating on a B2B business model, Dixon offers a diverse range of products. These offerings have been categorized by product type.

1. **Consumer Electronics:** The major customers in this segment are Xiaomi, Samsung, Hisense, VU, Nokia, Panasonic, Lloyd, Flipkart, Acer etc.

2. **Lighting Products:** The major customers in this segment are Reliance, RR Kabel, Signify, Wipro, Bajaj, Orient, Polycab, Luminous, Crompton.

3. **Home Appliances:** The major customers in this segment are Samsung, BSH, Godrej, Volt- Beko, Panasonic, Reliance, Croma etc.

4. **Mobile Phones, EMS & Others:** The major customers in this segment include Motorola, Nokia, Reliance, Xiaomi, Airtel etc.

## IV. Employees

### 20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 1,522 | 1,446 | 95% | 76 | 5% |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| **3.** | **Total employees (D+E)** | **1,522** | **1,446** | **95%** | **76** | **5%** |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 171 | 162 | 95% | 9 | 5% |
| 5. | Other than Permanent (G) | 5,956 | 3,985 | 67% | 1,971 | 33% |
| **6.** | **Total workers (F+G)** | **6,127** | **4,147** | **67.68%** | **1,980** | **32.31%** |

b. Differently abled Employees and workers:

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 0 | 0 | Nil | 0 | Nil |
| 2. | Other than Permanent (E) | 0 | 0 | Nil | 0 | Nil |
| **3.** | **Total differently abled employees (D+E)** | **0** | **0** | **Nil** | **0** | **Nil** |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | 0 | 0 | Nil | 0 | Nil |
| 5. | Other than Permanent (G) | 0 | 0 | Nil | 0 | Nil |
| **6.** | **Total differently abled workers (F+G)** | **0** | **0** | **Nil** | **0** | **Nil** |

### 21. Participation/Inclusion/Representation of Women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 8 | 1 | 12.50% |
| Key Management Personnel* | 2 | 0 | 0% |

*Excluding Board of Directors

### 22. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

Throughout the fiscal year 2023-24, the Company has implemented a wide range of training initiatives designed to bolster both job-specific performance and holistic development. These initiatives encompass technical and functional training modules that are meticulously tailored to hone industry-specific skills, thereby ensuring that employees remain at the forefront of technological advancements.

In addition to this, the Company has instituted behavioural, futuristic, managerial, and leadership programs. These programs are actively designed to cultivate a culture of collaboration, enhance problem-solving abilities, and foster leadership skills.

These comprehensive training programs are strategically aligned with the Company's objectives, promoting a culture of continuous learning, innovation, and excellence throughout the organisation. It is with immense pride that the Company announces its recognition as a "Great Place to Work" in India for the third consecutive year.

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 19% | 13% | 19% | 18% | 25% | 20% | 14% | 19% | 15% |
| Permanent Workers | 9% | 0.00% | 9% | 13% | 8% | 11% | 13% | 4% | 11% |

**Note:** This includes employees/workmen who have retired during the year.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. Name of holding/subsidiary/associate companies/joint ventures

| Sl. No. | Name of the holding/ subsidiary/associate companies/joint ventures (A) | Indicate whether Holding/Subsidiary/ Associate/Joint Venture | % of shares held by the Company | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No) |
|---|---|---|---|---|
| 1 | Dixon Global Private Limited | Subsidiary | 100% | No |
| 2 | Padget Electronics Private Limited | Subsidiary | 100% | No |
| 3 | AIL Dixon Technologies Private Limited | Joint Venture | 50% | No |
| 4 | Dixon Electro Appliances Private Limited | Subsidiary | 51% | No |
| 5 | Dixon Electro Manufacturing Private Limited | Subsidiary | 100% | No |
| 6 | Dixon Technologies Solutions Private Limited | Subsidiary | 100% | No |
| 7 | Rexxam Dixon Electronics Private Limited | Joint Venture | 40% | No |
| 8 | Califonix Tech and Manufacturing Private Limited | Joint Venture | 50% | No |
| 9 | Dixtel Communications Private Limited | Subsidiary | 100% | No |
| 10 | Dixon Infotech Private Limited | Subsidiary | 100% | No |
| 11 | Dixtel Infocom Private Limited | Subsidiary | 100% | No |

## VI. CSR Details

**24.** (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes, CSR provisions are applicable as per Section 135 of the Companies Act, 2013. The Company has a dedicated CSR Policy focused on People and Planet and lays down the approach towards community development in water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects. The CSR Policy, as approved by the Board of Directors, is available on the Company's website at https://www.dixoninfo.com/json/dixon/codes-policy/Corporate-Social-Responsibility-Policy.pdf

(ii) **Turnover (in ₹ Lacs):** ₹ 6,41,140

(iii) **Net worth (in ₹ Lacs):** ₹ 1,39,430

## VII. Transparency and Disclosure Compliances

**25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom compliant is received | Grievance Redressal Mechanism in place (Yes/ No) (If yes, then provide web link for grievance redressal policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|
| | | No. of comp-laints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of comp-laints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes<br>Under Investor relations at www.dixoninfo.com<br>Dixon has maintained positive community relations throughout the fiscal year, with no registered grievances from the involved communities. The Company's core objective is to enhance the well-being of the communities in which it operates. To achieve this, Dixon actively executes Corporate Social Responsibility (CSR) projects and engages with community members through initiatives such as Focus Group Discussions (GDs) and individual interactions. Additionally, community members are encouraged to reach out to the Chief Human Resource Officer if they encounter any concerns. | 0 | 0 | N.A. | 0 | 0 | N.A. |
| Investors (other than shareholders) | Not applicable as the Company does not have any investors other than shareholders (e.g. preference shareholders or debenture shareholders) | 0 | 0 | N.A. | 0 | 0 | N.A. |
| Shareholders | Yes<br>Under Investor relations at https://www.dixoninfo.com/investor-relation.php<br>Throughout the fiscal year, Dixon received a total of 34 shareholder complaints, each of which was promptly and effectively resolved. The Company follows a structured process for handling shareholder grievances. As part of this process, an Annual General Meeting (AGM) is held on an annual basis, providing shareholders with an annual platform to discuss any issues or queries they may have.<br>At shareholder gatherings, attendees have the opportunity to voice their concerns, and Dixon ensures prompt and appropriate actions to address and resolve these matters. Moreover, the investor relations team is dedicated to addressing shareholder queries and issues. Shareholders also have the option to directly communicate their inquiries and complaints to the Chief Financial Officer (CFO) or the Chief Legal Counsel and Group CS for swift resolution. | 33 | 0 | N.A. | 13 | 0 | N.A. |

| Stakeholder group from whom compliant is received | Grievance Redressal Mechanism in place (Yes/ No) (If yes, then provide web link for grievance redressal policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|
| | | No. of comp-laints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of comp-laints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Employees and workers | Yes at www.dixoninfo.com<br>Dixon Corporation received no employee or worker complaints during the fiscal year. The Company prioritizes employee well-being through various initiatives, including Employee Engagement Programs, regular Satisfaction Surveys, and comprehensive Training & Development Programs. | 0 | 0 | N.A. | 0 | 0 | N.A. |
| Customers | Yes at https://www.dixoninfo.com/contact.php<br>The Company follows a business-to-business (B2B) model, engaging with clients through personalized interactions, meetings, feedback surveys, and evaluations of product deliveries. Any customer queries or concerns are promptly addressed by the purchase and sales team. | 0 | 0 | N.A. | 0 | 0 | N.A. |
| Value Chain Partners | Yes at https://www.dixoninfo.com/contact.php<br>Throughout the fiscal year, Dixon's value chain partners expressed no concerns. The Company actively nurtures relationships with its partners through on-site visits, personalized interactions, and surveys. The dedicated purchase and sales team promptly addresses any partner queries, while regular reviews and feedback mechanisms facilitate effective information exchange. | 0 | 0 | N.A. | 0 | 0 | N.A. |

**26. Overview of the Company's material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same approach to adapt or mitigate the risk along with its financial implications, as per the following format:**

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Human Capital Development | Opportunity | In the fast-paced world of the electronics industry, the Company recognizes its human capital as a crucial asset. Amidst the flux of technological advancements, the adaptability and relevance of the Company hinge on its skilled workforce. This proficient team is instrumental in driving sustainable growth. | The Company is well-prepared to address this without risk, given its implementation of diverse employee-centric initiatives, including skill development, training, and various engagement programs. | **Positive Implications:** Prioritizing the development of human capital can lead to positive financial results for the organisation. By investing in |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| | | | The Company's strategic blueprint encompasses both immediate and long-term initiatives. Short-term measures include induction programmes, skill enhancement, on-the-job training, and technical instructions. The long-term vision culminates in a state-of-the-art Centre of Excellence (COE) that fosters both theoretical and practical learning.<br>The implementation of these skilling and engagement programs not only promotes comprehensive employee development but also ensures their retention. The Company takes pride in its Great Place to Work (GWP) certification, held for the past three years. This accolade underscores the remarkable organisational culture upheld by its employees and serves as a testament to the Company's core values of trust, fairness, respect, and camaraderie – the essence of a great workplace. | | initiatives that promote employee well-being, offering competitive salaries, and providing benefits, the Company can cultivate a strong relationship with its employees. |
| 2 | Health and safety | Risk | In the realm of the workplace, the Company places paramount importance on the well-being of its workforce. Given its operations in the electronics manufacturing sector, the safety of its employees is a critical concern. | The Company's dedication to preserving workforce health and safety is evident in its record of zero accidents and LTIFR incidents in its operations.<br>The Company adopts a structured approach, striving for a workplace devoid of injuries and fatalities. It adheres to the 5S methodology, proactively addressing and preventing health emergencies.<br>To counter potential hazards, employees are equipped with suitable safety gear within the factories. For example, in the lighting manufacturing unit, employees are provided with specialized goggles to protect their eyes from high-intensity lights.<br>The Company's commitment to safety is further reinforced through a distinct occupational health and safety policy. This policy underscores the Company's dedication to creating a safe and healthy work environment for its employees. | **Positive Implications:**<br>Ensuring the health and safety of employees positively impacts the Company.<br>Investing in Health and Safety to create a safe and healthy workplace promotes well being of employees and reduces risk of accidents and improves productivity. In case of any accidents, corrective actions are taken in the spot to avoid any future mishaps. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 3 | Energy Management and Emission Reduction | Opportunity | The Company, acknowledging the significant role of greenhouse gas emissions in exacerbating climate change risks, has conscientiously implemented a range of measures to reduce its global greenhouse gas footprint.<br>In essence, the Company's actions reflect a steadfast commitment to environmental stewardship, demonstrating its role as a responsible corporate citizen in the face of global climate challenges. | Since Company has been undertaking several initiatives to curb greenhouse gas emissions from its operations, it is less likely to pose any risk to the Company.<br>Key among these initiatives is the transition to renewable energy sources. This is exemplified by the installation of solar panels to meet energy needs, and the switch to more eco-friendly fuels, such as the replacement of High-Speed Diesel (HSD) with Piped Natural Gas (PNG).<br>Moreover, the Company regularly measures its greenhouse gas emissions against international standards, specifically ISO 14064 Part 1 and ISO 14064 Part 2. This commitment to sustainability is further extended to improving energy efficiency through similar strategies. | **Positive Implications:** Investing in emerging climate technologies may initially be expensive, yet the long-term returns promise significant economic, social, and environmental benefits. |
| 4 | Waste management | Opportunity | Waste management is a critical issue for the Company. The improper handling of waste could lead to legal consequences, financial penalties, and damage to the Company's reputation.<br>A significant portion of the waste generated by the Company's operations is electronic waste (e-waste), which poses substantial risks. Inadequate management of this waste could result in environmental pollution, threatening the health and safety of humans and other living organisms.<br>In essence, the Company is acutely aware of the importance of effective waste management and is committed to implementing robust strategies to mitigate the potential hazards associated with waste, particularly e-waste. This commitment underscores the Company's dedication to environmental stewardship and the well-being of all life forms. | Dixon Technologies (India) Limited takes a proactive approach to waste management. In partnership with authorized third-party vendors approved by Pollution Control Boards, the Company ensures the safe disposal of all waste, including e-waste and plastic waste.<br>The process begins with careful segregation at the source. For example, in the manufacturing facilities, designated bins are used for separate waste collection. The segregated waste is then recycled or safely disposed of by authorized waste collectors. | **Negative Implications:** Although partnering with a government-certified recycler may incur costs, the resulting environmental and social advantages far outweigh these expenditures |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| | | | | In the mobile manufacturing division, no waste from the production process remains with the Company. All materials, including packaging waste, are returned to the client, who is then responsible for proper disposal. This approach underscores Dixon Technologies' commitment to environmental responsibility and sustainable business practices. | |
| 5 | Product Design and Innovation | Opportunity | In the dynamic landscape of the electronics industry, new technologies continually emerge and existing ones becomes obsolete. This constant flux significantly transforms not only this sector but others as well.<br>To keep pace with these evolving needs, it is crucial to take proactive steps. These include consistently innovating product design and manufacturing processes to ensure they remain cutting-edge.<br>In line with this principle, Dixon has made considerable investments to bolster its Research and Development capabilities. This strategic move aims to enhance the Company's design and operational processes, thereby positioning Dixon at the forefront of industry innovation. This commitment underscores Dixon's dedication to staying ahead of the curve in a rapidly changing industry landscape. | Company has state-of-the art R&D facilities which have been working tirelessly on innovative technologies for better efficiency and performance of the design and manufacturing processes. | **Positive Implications:** Embracing new technologies will enhance product performance and efficiency, leading to increased customer trust and satisfaction. This could translate into positive revenue growth. However, an initial investment is required to facilitate this process. |
| 6 | Corporate Governance | Opportunity | The Company acknowledges the critical importance of robust corporate governance. Neglecting this aspect can lead to regulatory non-compliance, resulting in penalties, fines, and reputational damage.<br>The Company is aware that inadequate corporate governance practices can expose it to legal and financial risks. To counteract these vulnerabilities, the Company has established a strong corporate governance framework. This ensures strict adherence to all relevant regulatory requirements. | Company's policies and good corporate governance practices will help to build a good reputation of the Company in the market.<br>Company's goal is that it will continue to ensure best-of the corporate governance practices in its business operations. | **Positive Implications:** This will lead to favorable financial outcomes for the Company, enhance its reputation for compliance in the marketplace, and foster trust among shareholders." |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| | | | Moreover, the Company has formalized various policies, reinforcing its commitment to maintaining and promoting solid corporate governance practices.<br>To stay abreast of the latest laws, rules, regulations, and amendments, the Company utilizes an in-house compliance management tool, Lex Comply. This tool is instrumental in helping the Company navigate the complex regulatory landscape effectively and efficiently. | | |
| 7 | Community development | Opportunity | The Company is deeply committed to fostering positive and enduring relationships with the communities within its operational sphere. It is actively engaged in numerous Corporate Social Responsibility (CSR) initiatives, with a particular focus on promoting education, enhancing the well-being of senior citizens, eradicating poverty, and providing essential healthcare facilities to the community.<br>The Company's regular interaction with the community not only strengthens relationships but also establishes a profound connection with them. This engagement is instrumental in creating a long-term impact, significantly contributing to the socio-economic well-being of the community. The Company's dedication to these initiatives underscores its commitment to social responsibility and community development. | Through its CSR activities, Company has been trying to address some of the major issues being faced by the community people. It results into promoting equitable growth/development of the community closely linked with the Company's operations. | **Positive Implications:** Extensive community initiatives can enhance the Company's image, thereby positively influencing its financial standing.<br>It can also help in creating long term value for both stakehlolder and shareholder. |
| 8 | Supply chain management | Risk | In today's globalized world, the supply chain has evolved into a complex and expansive network. A multitude of factors come into play to ensure a robust and disruption-free supply chain. These include geopolitical influences, logistical considerations, the quality, accessibility, and availability of materials, among others.<br>Therefore, it is of paramount importance to establish an effective supply chain management system. This system is not only crucial for the ongoing operations of the business but also plays a vital role in ensuring the business's resilience in emergency situations. A well-managed supply chain can help the business navigate through unforeseen challenges, thereby contributing to its long-term sustainability. | The Company recognizes the significance of establishing an efficient supply chain management system, understanding that an uninterrupted and seamless supply chain is crucial for sustaining business operations. | **Negative Implications:**<br>Disruptions in the supply chain can results in uncreased costs and loss of revenue. Non-compliances on the part of the Company can attract penalties. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| | | | | To achieve this, the Company has implemented specific measures to avert supply chain disruptions and ensure the efficacy of its supply chain processes. These initiatives encompass prioritizing local suppliers whenever feasible and leveraging SAP technologies for inventory management. Moreover, in the mobile and laptop manufacturing sector, raw materials for the production process are provided by the customer, highlighting their responsibility in the supply chain. | |
| 9 | Climate Action | Risk | The ramifications of this global phenomenon, including heatwaves, floods, and landslides, have become increasingly conspicuous, necessitating the implementation of regulatory measures.<br>The electronics industry, akin to various other sectors, is susceptible to the physical and transitional impacts of climate change. Recognizing the urgency of the situation, it is imperative for companies to proactively address these challenges.<br>To navigate through these complexities, the Company acknowledges the necessity to assess potential factors that could obstruct its operations. This strategic evaluation is crucial in ensuring the Company's resilience and adaptability in the face of climate change. | Dixon believes that the first step towards improving lies with the assessment of where they currently stand. Therefore, Dixon has been considering conducting a climate risk assessment to clearly understand the impact of climate change on their operations. Dixon believes that this process will enable them in charting out effective mitigation strategies. | **Negative Implications:** In case of negligence towards climate change, the Company can face major challenges such as loss of revenue, brand value and Goodwill. |
| 10 | Human Rights | Risk | Human rights are universally inherent to every individual. The Company recognizes that the protection of these rights not only cultivates trust but also bolsters its standing among the public. On the flip side, any infringement of human rights could lead to legal consequences, potentially tarnishing the Company's reputation. | Company has been continually working to ensure the proper the compliance with the relevant statutory laws and implementation of its policies. It understands that as society is evolving at a rapid pace, it will also have to evolve its practices to be at par with the best practices and create better working environment for the people. | **Negative Implications:** Upholding human rights not only has positive financial implications for the Company by avoiding legal |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| | | | Driven by its core values, commitment, and adherence to legal obligations, the Company has taken commendable steps to safeguard human rights. It has formulated and enforced a range of policies, directing all associated individuals to uphold dignity, respect, and avoid any actions that could be perceived as harassment.<br>Moreover, the Company unequivocally prohibits any involvement with child labour and forced labour within its operations. This prohibition is clearly stipulated in business agreements and contracts, highlighting the Company's dedication to fostering ethical practices across its supply chain. This commitment reflects the Company's proactive approach in upholding human rights and maintaining ethical conduct. | | penalties, but also enhances productivity through improved working conditions. Furthermore, it contributes to a favorable market reputation. |
| 11 | Water management | Opportunity | The Company sees it as an opportunity to improve its water efficiency and minimize its water costs. | Sewage Treatment Plants (STP) have been set up, RO water which is discharged is re-used in toilets, cleaning utensils etc. and the remaining water is used for gardening purposes. In some of our units, the treated water is also released in Municipal/ governmental sewage pipelines. Rain water harvesting have also been installed at various locations of the Company. Push Punch water taps have also been installed to ensure minimum wastage. | **Positive Implications**<br>Measures to reduce and conserve water would optimise water resource requirement for wider communities. This would save water needs and create enabling environment for future. |
| 12 | Customer relationship management | Opportunity | The Company holds the conviction that nurturing a robust relationship with its customers is the cornerstone for enduring business stability and expansion. This belief underscores the Company's commitment to customer-centric practices, recognizing their pivotal role in driving business success. The Company, therefore, places immense value on cultivating strong customer relationships, viewing it as an essential strategy for sustainable growth and prosperity. This approach not only enhances customer satisfaction but also contributes significantly to the Company's ongoing development. | | **Positive Implications:**<br>Maintaining better relationship with customers would result into positive financial implication. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 13 | Biodiversity management | Opportunity | The Company recognizes biodiversity as a key asset, largely unaffected by its operations. It prides itself on the strategic placement of its factories, none of which are located within or in proximity to government-protected areas. The Company's business strategy is explicitly designed to avoid the establishment of factories in protected or world heritage sites, underscoring its commitment to preserving biodiversity. This approach results in a minimal impact on biodiversity, demonstrating the Company's dedication to environmental stewardship and sustainable practices. Thus, the Company's operations and biodiversity exist in a harmonious balance, each minimally affecting the other. This commitment not only reflects the Company's corporate responsibility but also its respect for the natural world. | | **Positive Implications** By improving efficiency and complying with rules, regulations and guidelines and adopting biodiversity management practices, the Company can improve its financial performance and market standing. |
| 14 | Data security and privacy | Risk | The Company is acutely aware that improper data management can lead to substantial regulatory consequences and tarnish its reputation. In response to this, the Company has been proactive in enhancing its information technology system. A testament to this commitment is the Company's pursuit of ISO 27001 certification for its IT system. This internationally recognized standard underscores the Company's dedication to maintaining the highest level of data security and integrity. Thus, the Company not only acknowledges the potential risks associated with data mismanagement but also takes tangible steps to mitigate them, thereby safeguarding its reputation and regulatory compliance. | Company has formulated and implemented data privacy policy and also has been strengthening information security system. The Company has been on a regular basis monitoring their softwares and framing stringent policies for cyber security. The Company has implemented access control and IPS/IDS in firewall which reduced the risk of unwanted access and hacking. | This will have positive financial implications on the Company as it will prevent data breaches and other cybersecurity related risks |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | |
| 1. | a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. Weblink of the policies, if available | 3TG and Conflict of Minerals Policy (P-2)<br>Policy on Anti-Bribery & Anti-Corruption policy (P-1)<br>Policy on Anti- Discrimination and Non-Harassment (P-5)<br>Risk Management Policy (P-6)<br>Policy on Determination of Materiality of Events and Information (P-1)<br>Code of Conduct for Independent Directors (P-1)<br>Familiarization Programme for Independent Director<br>Corporate Social Responsibility Policy (P-8)<br>Terms of appointment of Independent Directors<br>Insider Trading Policy (P-1)<br>Business Responsibility Policy<br>Dixon Quality Policy (P-2)<br>Dixon Environmental Policy (P-6)<br>Code of Conduct (P-1 & P-3)<br>Preservation of Documents and Archival Policy<br>Related Party Transaction (RPT) Policy (P-1)<br>Whistle Blower Policy (P-1 & P-3)<br>Nomination and Remuneration Policy (P-5)<br>Policy on Material Subsidiary (P-4)<br>Policy on Board Diversity<br>Occupational Health & Safety (OH&S) Policy (P-2 & P-3)<br>Dixon Privacy Policy (P-9)<br>Biodiversity Policy (P-6)<br>Board Evaluation Policy<br>Stakeholders Engagement Policy (P-4)<br>Conflict of Interest Policy (P-1)<br>Succession Planning Policy<br>Web-link of this policies: Policies at Dixon | | | | | | | | |
| 2. | Whether the Company has translated the policy into procedures. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to the Company's value chain partners? (Yes/No) | Yes, only the Anti-bribery, Anti- corruption and Conflict of minerals policy are extended to the value chain partners as well. The scope of the policies being adopted by the Company includes employees, directors, agents, consultants, contractors and customers and all such people and institutions to which Dixon group (Dixon and its subsidiaries and Joint venture Companies is associated with). | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| 4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle. | **Principle 1** Quality Management System (9001:2015), RBA (Responsible Business Alliance) VAP<br>**Principle 2** Environmental management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification<br>**Principle 3** Occupational Health and Safety Management System (45001:2018)<br>**Principle 5** Occupational Health and Safety Management System (45001:2018)<br>**Principle 6** Environmental management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification<br>**Principle 9** ESD S20:20 RBA (Responsible Business Alliance) VAP, formation Security Policy is aligned with the requirements of ISO 27001. | | | | | | | | |
| 5. Specific commitments, goals and targets set by the Company with defined timelines, if any. | **Environment:**<br>Energy Management and Emission Reduction<br>• Become carbon neutral by 2035<br>• Persistently reduce greenhouse gas emissions (YoY)<br>**Waste Management**<br>• Recycle 100% of the e-waste by 2032<br>**Water Management**<br>• Reduce water intensity by 5% by 2032<br>• Amplify rainwater harvesting capacity<br>**Biodiversity**<br>• Commitment to not set up plants or operational activities in World Heritage areas and IUCN category I-IV protected areas<br>**Social:**<br>• Zero occupational workplace fatality across all units (YoY)<br>**Governance:**<br>• Compliance with statutory standards on environmental parameters<br>• Continue to apply innovative technologies to develop new products. | | | | | | | | |
| 6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met. | Starting from the Financial Year 2023-24, the Company has initiated a formal ESG (Environmental, Social, and Governance) journey and the Company closely monitors and evaluate its performance against these targets on continous basis.<br>During FY 2023-24, Dixon has aligned its operations to its ESG strategy. Dixon can now track and monitor all the material topics in the ESG domain. | | | | | | | | |

**Governance, leadership and oversight**

**7. Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements**

The Company is pleased to share its Business Responsibility and Sustainability Report ("BRSR") for FY 2023-24. The report aims to inform stakeholders of the Company's sustainability performance. The Company is committed to sustainable growth, delivering products that meet consumer needs while minimizing environmental impact. Within its environmental management strategy, impactful measures address waste and water management challenges. Consistent monitoring and assessment have led to significant improvements in energy and water efficiency.

Furthermore, the Company actively engages stakeholders and prioritizes transparent communication to keep them informed about sustainability efforts. The BRSR provides transparency, outlining the Company's commitments and progress toward ESG objectives. This underscores the Company's unwavering dedication to sustainability and ethical business practices, guiding stakeholders on the collective journey toward a more sustainable future.

Recognizing that sustainability is an ongoing process, the Company invites everyone's support in making a meaningful difference.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | **Mr. Atul B. Lall, Vice Chairman & Managing Director**<br>Telephone: 0120-4737200<br>Email: atullall@dixoninfo.com | | | | | | | | |
| 9. Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, the Company has a specified Committee i.e. ESG Committee for overseeing and implementation of the sustainability and ESG related issues/ strategies of the Company. The Committee comprises of Mr. Atul B. Lall, Vice Chairman and Managing Director as its Chairman and two Independent Directors. The other details are available at https://www.dixoninfo.com/board-committees.php . | | | | | | | | |

10. Details of review of NGRBCs by the Company:

| Subject for review | Indicate whether review was undertaken by Director/ Committee of the Board/any other Committee | | | | | | | | | Frequency (Annually/Half yearly/Quarterly/Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Y | | | | | | | | | The Company is implementing and adhering to all the policies in accordance with the applicable laws and regulations. These policies are also reviewed on an as-needed basis by the Board of Directors and/or its ESG committee with the aim of streamlining and establishing sustainable measures in place for the Company. | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Y | | | | | | | | | The Company complies with all the regulatory and legal requirements and is the same is periodically evaluated by the respective Board committees or Board of Directors. The Company ensures that it has implemented policies to address its significant material areas such as environmental protection, employee health and safety etc. | | | | | | | | |

| | |
|---|---|
| 11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | The Company acknowledges that while external assessments are not conducted, it maintains a rigorous internal review process. This process includes an independent audit mechanism that thoroughly examines the implementation of all key policies. By prioritizing transparency and accountability, the Company ensures that its policies are effectively executed. |

### 12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principle material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

## Section C: PRINCPLE WISE PERFORMANCE DISCLOSURE

### Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Dixon demonstrates a robust commitment to ethical practices through its comprehensive Anti-Corruption and Anti-Bribery Policy. This policy extends beyond Dixon's personnel to include third parties associated with the Company, aligning with both domestic and international laws. Conflict of interest management is a priority, with strict guidelines for directors and senior management to avoid any activities conflicting with Dixon's interests. Additionally, the approval of Related Party Transactions (RPTs) adheres to rigorous compliance with the RPT Policy. Dixon's proactive approach, transparency, and ethical conduct position them as a responsible and forward-thinking organisation.

**SDG**

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

**Essential Indicator:**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 8 | Familiarization programs and strategic meets are carried out by way of exhaustive presentations. Moreover, for Directors reference, a Director's handbook is shared with the Directors highlighting latest regulations, guidelines, rules and responsibilities of Directors. | 100% |
| Key Managerial Personnel* | 4 | | 100% |
| Employees other than Board of Directors and KMPs | 1 | All employees are required to undergo and sign off the Code of Conduct, Anti- Corruption and Anti-Bribery Policy. | 100% |
| Workers | 1 | Workers are required to undergo training on the Safety and Code of Conduct on timely basis | 100% |

*Includes 2 Board of Directors

**2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:**

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | During the FY 2023-24, No fines/ penalties have been levied on the Company | | | | |
| Settlement | | | | | |
| Compounding fee | | | | | |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | No non-monetary penalties have been levied on the Company | | | |
| Punishment | | | | |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

**4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, Dixon has taken a firm stand against corruption by implementing a comprehensive Anti-Corruption and Anti-Bribery Policy. This policy not only applies to its employees, including the Board of Directors, but also extends to third parties such as intermediaries, consultants, and representatives who are associated with Dixon.

The policy, underscores Dixon's commitment to combat bribery and corruption. It serves as a detailed guide, outlining various forms of corruption, thereby providing clear directives for all individuals under its purview.

The website of the Company at https://www.dixoninfo.com/codes-policies.php .

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directors | No disciplinary action was taken against any Directors/KMPs/employees/workers by any law enforcement agency for charges of bribery/ corruption | |
| KMPs | | |
| Employees | | |
| Workers | | |

**6. Details of complaints with regard to conflict of interest**

| | FY 2023-24 | | FY 2022-23 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | N.A. | 0 | N.A. |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | N.A. | 0 | N.A. |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.**

No complaints have been filed against the Board of Directors, Key Management Personnel (KMPs), Senior Management Employees, or other Company staff. Consequently, No remedial actions were needed to be taken.

**8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Number of days of accounts payables | 69 | 71 |

**9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

| Parameter | Metrics | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | N.A. | N.A. |
| | b. Number of trading houses where purchases are made from | N.A. | N.A. |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | N.A. | N.A. |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | N.A. | N.A. |
| | b. Number of dealers / distributors to whom sales are made | N.A. | N.A. |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | N.A. | N.A. |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 4.53% | 0.49% |
| | b. Sales (Sales to related parties / Total Sales) | 2.35% | 4.97% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 100% | 100% |
| | d. Investments ( Investments in related parties / Total Investments made) | 98.76% | 77.10% |

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics/principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| | Nil | |

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**

Yes, the Company has well defined policy on Conflict of Interest under the code of conduct for directors and senior management personnel, wherein, Directors and senior management personnel are not permitted to engage in any relationship, business or activity that might be in conflict with the interests of the Company.

In case of Related Party Transactions (RPTs) as defined and identified under the Companies Act, 2013 and SEBI Listing Regulations and the RPT Policy of the Company-The Audit Committee or the Board or the shareholders on the recommendation of the Board, if required, as the case may be, shall approve the RPTs as and when they are entered into only after ensuring compliance with the RPT Policy of the Company.

Apart from the aforesaid, the Company has a Code of coduct in place which requires that the Directors, Senior Management Personnel shall abide by the policies and procedures that govern the conduct of the Company's business and should avoid using Company's property or information or their position as Director or Senior Official for personal gain and competing with the Company.

## Principle 2: Business should provide goods and services in a manner that is sustainable and safe

Dixon Technologies demonstrates a strong commitment to sustainability across its operations. Although the Company lacks a formal sustainable procurement strategy, its consistent integration of sustainable sourcing principles speaks to its dedication. Dixon excels in waste management by complying with regulations and partnering with authorized recyclers for safe disposal. All manufacturing facilities operate as Zero Waste to Landfill (ZWL). The Company acknowledges Extended Producer Responsibility (EPR) and aligns waste collection with regulatory requirements. While formal Life Cycle Assessments haven't been conducted, Dixon remains steadfast in mitigating environmental impact. Despite some product categories having minimal recycled input material, Dixon's overall commitment to responsible resource usage is commendable.

**SDG**

### Essential Indicator:

**1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

| Segment | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R & D | Nil | Nil | - |
| Capex | Nil | Nil | - |

**2.** a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Dixon inherently believes in the principle of sustainable sourcing, and understands that sustainable sourcing / procurement can greatly contribute towards ensuring responsible operations of the Company. Although the Company does not have an established sustainable procurement strategy in place, it is continually undertaking measures to integrate the sustainable sourcing / procurement principle in the overall procurement strategy of the Company.

b. **If yes, what percentage of inputs were sourced sustainably?**

Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

| | |
|---|---|
| (a) Plastics (including packaging)<br>(b) E-waste<br>(c) Hazardous waste<br>(d) Other waste. | Dixon Technologies is dedicated to enhancing waste management strategies across its facilities. The Company has robust waste management systems in place to ensure waste disposal in compliance with applicable legislations/laws. Operating on a B2B model, Dixon Technologies manufactures products for some of the leading companies in the electronics industry. During these operations, various types of waste, such as plastic and electronic waste, are generated. Dixon Technologies has established partnerships with authorized third-party recyclers, like Greeniva Recycler and other waste recyclers, to safely dispose of processing waste. However, since the Company operates in the B2B segment, the provision of reclaiming products is not applicable.<br>All manufacturing facilities of Dixon Technologies are Zero Waste to Landfill (ZWL), demonstrating the Company's commitment to sustainable practices and reducing its environmental impact. It's reassuring to note that any waste generated at the factories is securely disposed of, and disposal agencies approved by Central and State Pollution Control Boards are engaged by the Company for waste disposal. |

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Dixon Technologies acknowledges the applicability of the Extended Producer Responsibility (EPR) to its operations. The Company's waste collection plan aligns seamlessly with the EPR plan that has been submitted to the Pollution Control Boards (PCB). This alignment underscores Dixon's commitment to responsible waste management and adherence to regulatory standards.

## Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| No the Company has not conducted Life Cycle Assessment for any of its products. | | | | | |

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Not Applicable | | |

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2023-24 | FY 2022-23 |
| Nil | | |

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| Particulars | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | Not Applicable as the Company does not receive any of the products and packaging material at the end of life of products. | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |
| Battery waste | | | | | | |
| Bio-medical waste | | | | | | |

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| NA | |

## Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains

Dixon Technologies prioritizes employee well-being by providing health insurance, accident insurance, maternity benefits, and paternity benefits. Their commitment to work-life balance is evident through day care facilities. Retirement benefits include PF, gratuity, and ESI coverage. Dixon actively enhances workplace accessibility for differently-abled individuals, fostering an inclusive environment with equal opportunities and gender diversity. Adhering to ISO 45001 standards, they implement safety training and protocols, aiming for zero occupational fatalities. Employees can raise concerns through Whistle Blower Policies and POSH Committees. Dixon ensures timely statutory dues payment and collaborates with value chain partners. While specific transition programs are absent, continuous training prepares employees for post-retirement opportunities. Their culture emphasizes safety and well-being.

**SDG**

### Essential Indicator:

**1.** a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1,446 | 1,446 | 100% | 1,446 | 100% | N.A. | N.A. | 1,446 | 100% | 1,446 | 100% |
| Female | 76 | 76 | 100% | 76 | 100% | 76 | 100% | N.A. | N.A. | 76 | 100% |
| **Total** | **1,522** | **1,522** | **100%** | **1,522** | **100%** | **76** | **4.99%** | **1,446** | **95%** | **1,522** | **100%** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

b. Details of measures for the well-being of workers:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Workers** | | | | | | | | | | | |
| Male | 162 | 162 | 100% | 162 | 100% | N.A. | N.A. | 162 | 100% | 162 | 100% |
| Female | 9 | 9 | 100% | 9 | 100% | 9 | 100% | N.A. | N.A. | 9 | 100% |
| **Total** | **171** | **171** | **100%** | **171** | **100%** | **9** | **5.26%** | **162** | **94.74%** | **171** | **100%** |
| **Other than Permanent Workers** | | | | | | | | | | | |
| Male | 3,985 | 3,985 | 100% | 3,985 | 100% | N.A. | N.A. | 3,985 | 100% | 3,985 | 100% |
| Female | 1,971 | 1,971 | 100% | 1,971 | 100% | 1,971 | 100% | N.A. | N.A. | 1,971 | 100% |
| **Total** | **5,956** | **5,956** | **100%** | **5,956** | **100%** | **1,971** | **33.09%** | **3,985** | **66.91%** | **5,956** | **100%** |

**Note:** All the permanent workers are covered under ESIC.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 2023-24 Current Financial Year | FY 23 Previous Financial Year |
|---|---|---|
| Cost incurred on well- being measures as a % of total revenue of the Company | 0.08% | 0.04% |

Dixon, prioritizes the well-being of its workforce. Through targeted initiatives, the Company promote positivity, wellness, and good health among employees and their families. By actively engaging in these efforts, Dixon demonstrates its commitment to employee care and holistic support.

### 2. Details of retirement benefits, for Current and Previous Financial Year.

The Company also offers provisions for PF, Gratuity and ESI to the employees and the details are provided below:

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | N.A. | 100% | 100% | N.A. |
| ESI* | 100% | 100% | Y | 100% | 100% | Y |
| Others- please specify | | | | | | |

*Most of the workers are covered under ESI. Those who are out of ESI, have been provided medical insurance policy voluntarily.

### 3. Accessibility of workplaces

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Dixon Technologies is committed to upholding the Rights of Persons with Disabilities Act, 2016. As of now, the Company does not have any employees or workers with disabilities. However, in a bid to ensure that individuals with disabilities can access the premises and offices with ease, the Company is diligently working on enhancing its infrastructure. This includes the construction of ramps and the installation of lifts, among other modifications. These efforts underscore the Company's dedication to inclusivity and accessibility for all.

**4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Dixon Technologies champions diversity and actively works to eradicate bias based on caste, creed, religion, or gender. The Company boasts a diverse workforce and ensures equal opportunities for growth and development for all its employees, in line with its Code of Conduct. A significant number of women are employed across various production lines, reflecting the Company's commitment to gender diversity. Dixon Technologies always ensures pay parity, further emphasizing its dedication to equality. While the Company does have a formal anti- discrimination and non-harassment policy, its primary objective has always been to provide equal work opportunities for all. Dixon Technologies strives to create a workplace where diversity is celebrated, inclusion is the norm, and equal employment opportunities are accessible to all, fostering innovation, creativity, and success across the Company by ensuring,

(a) Unbiased recruitment process,

(b) Diverse candidate sourcing,

(c) Inclusive work environment,

(d) Career Development,

(e) Regular monitoring and assessment.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender | Permanent Employees | | Permanent Workers | |
|---|---|---|---|---|
| | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male | Nil | Nil | Nil | Nil |
| Female (Maternity leave) | Nil | Nil | Nil | Nil |
| Total | Nil | Nil | Nil | Nil |

No maternity or paternity leave was availed during the FY 2023-24.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

| | Yes/No<br>(If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent workers | Yes, Employees at Dixon can raise any concerns to their business heads or to the Chief Human Resources Officer (CHRO) of Dixon. Dixon has multiple lines of communication open for employees and workers to discuss their concerns. Dixon also has a Whistle Blower Policy/ Vigil Mechanism and POSH Committees across all the units of the Company to address any grievances and complaints |
| Other than permanent workers | |
| Permanent employees | |
| Other than permanent employees | |

**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total employees/ workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | %(B/A) | Total employees/ workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | %(D/C) |
| Total Permanent Employees | 1,522 | 0 | NIL | 1,551 | 0 | NIL |
| - Male | 1,446 | 0 | NIL | 1,491 | 0 | NIL |
| - Female | 76 | 0 | NIL | 60 | 0 | NIL |
| Total Permanent Workers | 171 | 0 | NIL | 206 | 0 | NIL |
| - Male | 162 | 0 | NIL | 203 | 0 | NIL |
| - Female | 9 | 0 | NIL | 3 | 0 | NIL |

While Dixon may not have any trade association(s) or unions, Dixon acknowledges the freedom of association and collective bargaining.

## 8. Details of training given to employees and workers:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1,446 | 721 | 49.86% | 799 | 55.26% | 1,491 | 0 | N.A. | 629 | 42.18% |
| Female | 76 | 29 | 38.16% | 49 | 64.47% | 60 | 0 | N.A. | 23 | 38.33% |
| **Total** | **1,522** | **750** | **49.28%** | **848** | **55.72%** | **1,551** | **0** | **N.A.** | **652** | **42.03%** |
| **Workers** | | | | | | | | | | |
| Male | 4,147 | 4,147 | 100% | 4,147 | 100% | 7,353 | 7,353 | 100% | 7,353 | 100% |
| Female | 1,980 | 1,980 | 100% | 1,980 | 100% | 3,853 | 3,853 | 100% | 3,853 | 100% |
| Total | **6,127** | **6,127** | **100%** | **6,127** | **100%** | **11,206** | **11,206** | **100%** | **11,206** | **100%** |

## 9. Details of performance and career development reviews of employees and workers:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 1,446 | 1,291 | 89.28% | 1491 | 1,271 | 85.24% |
| Female | 76 | 65 | 85.52% | 60 | 46 | 76.67% |
| **Total** | **1,522** | **1,356** | **89.09%** | **1551** | **1,317** | **84.91%** |
| **Workers** | | | | | | |
| Male | 4,147 | 4,147 | 100% | 7,353 | 7,353 | 100% |
| Female | 1,980 | 1,980 | 100% | 3,853 | 3,853 | 100% |
| **Total** | **6,127** | **6,127** | **100%** | **11,206** | **11,206** | **100%** |

## 10. Health and Safety Management System:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Dixon Technologies has implemented an occupational health and safety management system in alignment with ISO 45001 standards across all its plant and office locations. Dixon Technologies implements comprehensive safety training programs, clear protocols, and procedures to minimize workplace risks. Dixon Technologies provides its employees with appropriate safety equipment and gear, and regular audits are conducted to ensure compliance with safety standards. Dixon Technologies fosters a culture of safety by encouraging employee engagement, feedback, and continuous improvement in its safety practices. Dixon Technologies executes regular safety audits and continuous monitoring to ensure a safe and productive work environment for all employees.

This practice not only attracts and retains talent but also ensures superior governance within Dixon Technologies. Dixon Technologies also has a dedicated Occupational Health and Safety (OHS) policy. This policy underscores Dixon Technologies' unwavering commitment to achieving zero occupational fatalities across all plant and office locations and outlines the principles to be adhered to in order to fulfil this commitment.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Dixon Technologies has a robust Occupational Health and Safety (OHS) framework in place, which facilitates the identification, assessment, and mitigation of risks. The Company employs a comprehensive Hazard Identification and Risk Assessment (HIRA) approach to pinpoint the risks associated with various tasks.

To identify risks, several measures are implemented, including regular workplace inspections and in-depth discussions with employees and workers to understand and identify potential risks or threats. Additionally, each branch maintains an OHS observation sheet, where any incidents are diligently recorded.

Once risks are identified, they are thoroughly analysed and evaluated to understand their severity, likelihood, nature, and scope. Based on this process, a robust control system is established to mitigate these risks.

To ensure the effectiveness of the Health and Safety management system, Dixon Technologies conducts regular audits, both internal and external. This practice underscores the Company's commitment to maintaining a safe and healthy work environment for all its employees.

c. **Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)**

Yes, Dixon Technologies (India) Limited has established robust processes that empower its workforce to report work-related hazards and to extricate themselves from such risks. The Company places a high emphasis on extensive training for all its employees, enabling them to identify work-related hazards effectively.

The Company has designated unit safety officers who serve as the primary point of contact for employees to report any work-related hazards and risks. These officers are tasked with resolving the issues and eliminating the risks within a stipulated timeframe. If necessary, they escalate the risks to higher management for further action.

In the Company's annual report for 2023-24, various aspects related to safety are detailed, including the number of safety-related incidents, measures taken to ensure a safe and healthy workplace, the number of complaints made by employees and workers, assessments for the year, and details of any corrective action taken or underway to address safety-related incidents are shown.

This comprehensive approach underscores Dixon Technologies' commitment to maintaining a safe and healthy work environment for its employees, thereby fostering productivity and well-being.

d. **Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the employees of the entity have access to non-occupational medical and healthcare services.

**11. Details of safety related incidents, in the following format:**

| Safety Incident /Number | Category | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Dixon prioritizes fostering a culture of safety through ongoing efforts that focus on enhancing the well-being of its workforce. The Company conducts regular safety training sessions, workshops, and drills to equip employees with essential skills and knowledge. Open communication channels encourage feedback and prompt addressing of safety concerns, fostering a collaborative safety culture. To continuously improve safety practices, Dixon analyses incident data, conducts safety audits, and implements recommendations from internal and external reviews. Investment in advanced safety technologies and equipment further minimizes risks and enhances emergency response capabilities. Additionally, Dixon emphasizes employee well-being through wellness programs, mental health support, and work-life balance initiatives. By integrating proactive safety measures, continuous improvement strategies, and well-being initiatives, Dixon maintains a culture that prioritizes the health, safety, and overall well-being of its workforce. Dixon also has a robust EHS Management Systems in place. The Company also has relevant certifications such as ISO 9001:2015, ISO 14001:2015 & HIRA, RA and CAPA.

**13. Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | NIL | NIL | NIL | NIL | NIL | NIL |
| Health & Safety | NIL | NIL | NIL | NIL | NIL | NIL |

14. **Assessments for the year:**

| | % of plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% of the plants are assessed by the Company's Internal Auditors of the Company |
| Working Conditions | |

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Dixon Technologies (India) Limited has implemented a Corrective and Preventive Action (CAPA) Standard Operating Procedure (SOP) for each safety-related observation. This proactive approach ensures that any non-compliance issues identified during audits are promptly addressed and resolved at the earliest opportunity.

Moreover, the Company conducts regular safety and security audits across all its plants. This systematic review process not only helps to maintain the highest safety standards but also fosters a culture of continuous improvement within the organisation.

## Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Dixon strongly believes that good health is an essential part of life, and having a healthy workforce contributes to the productivity. To promote employee wellness, the Company organises free consultations with doctors at various units from time to time. Yes, life insurance or any compensatory package is provided through EPFO and ESIC and it is given to all employees and workers. Moreover, Dixon has its own Welfare fund which is utilised for the purpose of making payments in the event of death of any employee or workers.

2. **Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.**

The Company has established sufficient mechanisms to ensure that the necessary statutory dues related to its transactions with value chain partners are deducted and deposited in accordance with applicable regulations. These processes are regularly reviewed through standard audit procedures. In addition to this, the service contracts between Dixon and service provider also contains clause for necessary statutory payments like PF, ESI etc. by service provider. The Company also ensures that timely payment is made to the workers, vendors, etc. to comply with the statutory requirements.

3. **Provide the number of employees/workers having suffered grave consequences due to work-related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total No. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

The organisation consistently offers programs for enhancing skills throughout the tenure of employment. These training initiatives are tailored to meet the distinct needs of each role and functional area. This approach empowers each employee to seek opportunities for employment after retirement, leveraging the skills gained during their service.

Moreover, if an employee is suitable and capable, Dixon takes into consideration his/her continued employability.

**5. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | The Company has not yet undertaken any assessment of value chain partners. |
| Working Conditions | |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

## Principle 4: Business should respect the interests of and be responsive to all its stakeholders

Dixon Technologies recognizes the importance of engaging with key stakeholders, including investors, employees, directors, communities, customers, suppliers, and government authorities. The Company prioritizes transparent communication to foster trust and ensure regulatory compliance. Dixon actively promotes employee engagement, well-being, and career growth through regular interactions, surveys, and training programs, creating a harmonious workplace. The Board diligently reviews stakeholder feedback on economic, environmental, and social matters, aligning with stakeholder priorities through the ESG Committee and corporate social responsibility (CSR) initiatives. Stakeholder consultations inform Dixon's materiality assessment, shaping policies and procedures. Beyond legal obligations, Dixon's CSR initiatives focus on vulnerable and marginalized groups, emphasizing education, health, and skill development.

**SDG**

1 NO POVERTY | 5 GENDER EQUALITY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

### Essential indicators

1. **Describe the processes for identifying key stakeholder groups of the Company.**

Dixon Technologies acknowledges the integral role of stakeholders in creating lasting value for the Company and driving business growth. As such, the Company prioritizes the identification of key stakeholders and the establishment of a solid engagement framework for regular interaction. This ongoing stakeholder engagement process fosters a strong bond and understanding between the Company and its stakeholders.

While Dixon Technologies does not adhere to a formal procedure for stakeholder identification, it utilizes a flexible approach. This method recognizes groups and entities as stakeholders if their views, actions, and opinions significantly influence the business and are considerably affected by the Company's operations.

Consequently, Dixon Technologies identifies investors, shareholders, bankers, directors, employees, local communities, suppliers, contractors, customers, and governmental authorities as key stakeholders. The Company also maintains a Stakeholder Engagement policy, which is available on its website under 'Codes and Policies and Terms.

**2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/ No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly / others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Investors/ Shareh-olders/ Bankers | No | • Annual General meeting<br>• Company's website<br>• Investor / analyst meet / calls<br>• Annual report | Quarterly, annually and as and when required | The primary objective of Dixon Technologies is to adhere to all statutory requirements and to transparently communicate the Company's performance. This commitment not only ensures regulatory compliance but also fosters trust and confidence among all stakeholders. |
| Employees | No | Emails, Employee survey, Notice board, Annual performance review, website, meetings, trainings etc. Company website, Employee engagement activities | As and when required | Dixon Technologies is deeply committed to nurturing a harmonious relationship between the organisation and its employees. This symbiotic relationship is instrumental in enhancing employee well-being, boosting performance, and fostering career growth. The Company believes that this approach not only contributes to individual employee success but also propels the overall progress of the organisation. |
| Directors | No | Quarterly board meeting is conducted with the attendance of the directors of the Company. | As and when required | Dixon Technologies is steadfast in its mission to devise a forward-thinking, long-term strategy that serves as the Company's guiding compass. This strategy is meticulously crafted with a keen eye on the future, ensuring the Company's growth and sustainability. Regular oversight is maintained over the strategy's execution, ensuring its alignment with the Company's vision. The Company's performance is continually evaluated against this strategic roadmap, fostering a culture of accountability and excellence. This diligent approach underscores Dixon Technologies' commitment to its strategic objectives and its relentless pursuit of success. |
| Community | Yes | CSR Projects, Implementation and impact assessment of CSR projects | On regular basis | The objective is to enhance the social wellbeing of community members, thereby cultivating a robust bond that unites them all. |
| Customer & Suppliers | No | Emails, Newspaper, Advertising, websites, face-to-face meetings, phone calls and social media, Company website | As and when required | Engaging consistently with customers and suppliers, the key pillars of the business, allows for prompt resolution of their concerns, thereby fostering robust relationships. Some of the key topics and concerns are customer feedback, business development and regular audits. |
| Government Authorities | No | Regulatory Bodies – SEBI, Stock Exchanges, Ministry of Corporate Affairs, RoC. Through various Stock Exchange and ROC Filings, which includes intimation of events categorized under Reg 30 of SEBI LODR, other event-based compliances such as Corporate Governance Report, Filing of Financial Statements, etc. | Quarterly, half yearly and as and when required. | Purpose is to comply with the regulatory requirements. |

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Dixon Technologies strives to grow its business while protecting nature and doing good for the community. Dixon Technologies' engagement with its broader stakeholder community is undertaken by respective functions in consultation with the Management team. Feedback from different stakeholder groups on environmental, social, or governance topics is shared with the ESG Committee of the Board. Dixon Technologies also has a CSR committee to review, monitor, and provide strategic direction to its CSR practices and social initiatives. Additionally, the Risk Management Committee at Dixon Technologies plays a crucial role in identifying risks that can potentially impact operations and developing policies and strategies to minimize these risks.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, Dixon Technologies consistently engages in stakeholder consultations, actively seeking input from relevant parties. Dixon Technologies conducted a materiality assessment to identify and prioritize sustainability issues across its operations so that it can focus on the key issues affecting its stakeholders. A sustainability issue is material to Dixon Technologies if it is considered a principal risk or an element of a principal risk that could impact its business or performance or if its key stakeholders deem it essential. In addition, Dixon Technologies uses stakeholder insights to gauge the relative importance of each issue. Based on these valuable insights, Dixon Technologies formulates and adopts policies and procedures that align with its mission and goals. Also, the Company's governance structure ensures seamless flow of information and seeking inputs from various stakeholders ultimately ensuring that Company's ESG goals are aligned with Company's operations.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The organisation's commitment to community development extends beyond legal obligations. It actively assesses the evolving needs of the communities where it operates. Through strategic CSR initiatives and collaboration with local NGOs, the Company addresses key areas such as education, health, skill development, and infrastructure enhancement. Some of the key actions taken to address the concerns of vulnerable/ marginalised groups through various initiatives are specified in the Corporate Social Responsibility Annexure of the Board Report.

## Principle 5: Business should respect and promote human rights

Dixon Technologies demonstrates a strong commitment to upholding human rights within its business operations. The Company has established robust mechanisms, including a Grievance Committee and a Chief Human Resource Officer, to address any human rights concerns. It encourages ethical conduct in all business activities and provides channels for individuals to lodge complaints.

The Company has a firm policy enforcement mechanism supervised by the HR Department and an Internal Committee. Dixon has a dedicated Grievance Committee and a separate Prevention of Sexual Harassment (POSH) committee to ensure swift and effective resolution of concerns.

Dixon Technologies has a zero-tolerance policy towards any form of discrimination or harassment. It provides clear guidelines on what constitutes such behaviours and has established confidential channels for reporting any incidents. The Company conducts regular training sessions to maintain a respectful and inclusive workplace.

The Company integrates human rights requirements, such as prohibitions against forced and child labour, into its business agreements and contracts. It conducts regular independent audits of its plant operations to prevent any form of child labour or malpractice.

Dixon Technologies conducts a yearly 'Great Place to work' survey and has won the award for three consecutive years. The Company's premises are designed to be accessible to all visitors, including those with different abilities, in compliance with the Rights of Persons with Disabilities Act, 2016.

In summary, Dixon Technologies is committed to promoting a safe, inclusive, and respectful workplace environment, demonstrating its core values of integrity, fairness, and respect for all individuals within the organisation. This commitment not only aligns with the Company's core values but also strengthens its organisational culture, fostering collaboration, innovation, and mutual respect across the Company.

**SDG**

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

## Essential indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| Other than Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| **Total Employees** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Workers** | | | | | | |
| Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| Other than Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| **Total Workers** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 1,446 | 0 | N.A. | 1,446 | 100% | 1,694 | 0 | N.A. | 1,694 | 100% |
| Female | 76 | 0 | N.A. | 76 | 100% | 63 | 0 | N.A. | 63 | 100% |
| **Other than Permanent** | | | | | | | | | | |
| Male | 0 | 0 | N.A. | 0 | N.A | 0 | 0 | N.A. | 0 | N.A. |
| Female | 0 | 0 | N.A. | 0 | N.A | 0 | 0 | N.A. | 0 | N.A. |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 162 | 0 | N.A. | 162 | 100% | 203 | 0 | N.A. | 203 | 100% |
| Female | 9 | 0 | N.A. | 9 | 100% | 3 | 0 | N.A. | 3 | 100% |
| **Other than Permanent** | | | | | | | | | | |
| Male | 3,985 | 1,580 | 39.65% | 2,405 | 60.35% | 7,150 | 3,504 | 49% | 3,646 | 51% |
| Female | 1,971 | 1,578 | 80.06% | 392 | 19.89% | 3,850 | 1,848 | 48% | 2,002 | 52% |

3. **Details of remuneration/salary/wages, in the following format:**

a. The details are provided below:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/salary/ wages of respective category | Number | Median remuneration/salary/ wages of respective category |
| Board of Directors (BoD) | 7 | 2,53,00,000 | 1 | 14,00,000 |
| Key Managerial Personnel (KMP)# | 2 | 2,73,00,000 | 0 | Nil |
| Employees other than BoD and KMP (Permanent) | 1,442 | 4,27,680 | 76 | 4,56,750 |
| Workers (Permanent) | 162 | 2,32,248 | 9 | 2,25,215 |

Note: The above figures are taken on standalone basis

#KMP excludes whole time Director and Managing Director as they are included in BoD

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
|---|---|---|
| Gross wages paid to females as % of total wages | 4.51% | 2.79% |

**Note:** The data is for permanent employees of the Company.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Human resource division are tasked with addressing human rights concerns. Upholding the highest standards of Corporate Governance, the Company ensures all business activities are conducted ethically. Should any issues arise, individuals are encouraged to reach out to the relevant authority to submit a complaint, which will be promptly addressed.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Dixon stands firm in its commitment to uphold human rights, with a robust policy enforcement mechanism supervised by the HR Department and regularly scrutinized by an Internal Committee. The HR departments at all locations, including plants and the head-office, consistently monitor human rights considerations. Employees have unrestricted access to the DARWIN portal, allowing them to anonymously voice grievances or report potential human rights infringements.

Dixon has instituted a comprehensive process to address human rights grievances, including a dedicated Grievance Committee for swift and effective resolution of employee concerns. A separate POSH (Prevention of Sexual Harassment) committee is also in place, underscoring Dixon's meticulous attention to such sensitive issues. Furthermore, all stakeholders, including employees, workers, senior management, can report human rights concerns to their superiors or via the whistle-blower mechanism.

6. **Number of Complaints on the following made by employees and workers:**

The details are provided below:

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | 2 | 0 | All the complaints were resolved | No complaints other than those specified have been filed by employees and workers under any of the categories. | | |
| Discrimination at workplace | 0 | 0 | | | | |
| Child Labour | 0 | 0 | | | | |
| Forced Labour/Involuntary Labour | 0 | 0 | | | | |
| Wages | 0 | 0 | | | | |
| Other Human rights related issues | 0 | 0 | | | | |

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 2 | 0 |
| Complaints on POSH as a % of female employees / workers | 0.10% | Nil |
| Complaints on POSH upheld | 2 | Nil |

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Dixon Technologies is dedicated to preserving a workplace free of discrimination, where all employees are accorded respect, dignity, and fairness. The Company's Anti-discrimination and Anti-harassment Policy serves as a cornerstone in upholding these principles. Key elements of policy include:

- Zero Tolerance: Dixon Technologies has a zero-tolerance policy towards any form of discrimination or harassment based on race, color, religion, gender, sexual orientation, age, disability, or any other protected characteristic.
- Clear Guidelines: Dixon Technologies' policy provides clear guidelines on what constitutes discrimination and harassment, ensuring that all employees understand their rights and responsibilities.
- Reporting Mechanism: Dixon Technologies has established confidential and accessible channels for employees to report any incidents of discrimination or harassment. All reports are taken seriously, investigated promptly, and appropriate action is taken based on the findings.
- Training and Awareness: Dixon Technologies conducts regular training sessions and awareness programs to educate employees about the importance of maintaining a respectful and inclusive workplace.
- Accountability: Individuals found guilty of discrimination or harassment are subject to disciplinary action, up to and including termination of employment, in accordance with Dixon Technologies' policy and applicable laws.

By implementing and enforcing its Anti-discrimination and Anti-harassment Policy, Dixon Technologies aims to create a safe, inclusive, and welcoming environment for all employees. This commitment not only aligns with Dixon Technologies' core values but also strengthens its organisational culture, fostering collaboration, innovation, and mutual respect across the Company.

Also, Dixon Technologies prioritizes a safe and respectful workplace environment by addressing concerns related to sexual harassment or discrimination with seriousness and diligence. Dixon Technologies has established a Prevention of Sexual Harassment (POSH) committee and policy that clearly outlines prohibited behaviors, reporting procedures, and its commitment to upholding a respectful workplace for all employees. To ensure the effective implementation and adherence to this policy, Dixon Technologies has instituted a dedicated Internal Complaints Committee (ICC). This committee comprises trained members responsible for handling and investigating complaints related to sexual harassment, ensuring confidentiality, impartiality, and timely resolution in accordance with legal guidelines.

In addition to Dixon Technologies' policy and dedicated committee, the Company conducts regular awareness and training sessions on the prevention of sexual harassment and discrimination. These sessions educate employees about their rights, responsibilities, and the importance of maintaining a respectful workplace culture.

Furthermore, Dixon Technologies enforces strict disciplinary actions against any employee found guilty of engaging in sexual harassment or discrimination. These actions range from counselling and warnings to termination of employment, depending on the severity of the offense and in compliance with Dixon Technologies' policies and applicable laws. By implementing these measures, Dixon Technologies is committed to fostering a safe, inclusive, and respectful workplace environment where every employee can thrive, free from harassment and discrimination. This reflects Dixon Technologies' core values of integrity, fairness, and respect for all individuals within the organisation.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Dixon Technologies places paramount importance on the protection of human rights. The Company has established a Code of Conduct, which it continually encourages its supply chain partners, contractors, and customers to adhere to. As a result of this commitment, Dixon Technologies has integrated clauses related to human rights, such as prohibitions against forced and child labor, into its business agreements and contracts.

To ensure compliance and maintain its ethical standards, the Company conducts regular independent audits of its plant operations to prevent any form of child labor or malpractice. This demonstrates Dixon Technologies' unwavering commitment to upholding human rights and maintaining ethical business practices.

**10. Assessment for the year:**

| | % of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties) |
|---|---|
| Child Labour | 100% |
| Forced Labour/Involuntary Labour | 100% |
| Sexual Harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Other- please specify | N.A. |

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not applicable as the Company has not come across any significant concerns from assessments conducted at the business units.

## Leadership Indicators

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

The Company has not come across any concern requiring a change in their business processes as a result of addressing human rights grievances/complaints.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

The Company on a yearly basis conducts 'Great Place to work' survey wherein Dixon is being assessed on various diverse parameters such as Credibility, Respect, Fairness, Pride and Camaraderie. Dixon has won Great Place to work award for continuous three years.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, The premises of Dixon Technologies are designed to be accessible to all visitors, including those with different abilities. Dixon Technologies believes that accessibility is an essential aspect of social responsibility and is persistent in its efforts to create an inclusive environment for everyone. Measures have been taken to ensure compliance with the Rights of Persons with Disabilities Act, 2016. This includes the provision of ramps, elevators, and accessible restrooms, among other facilities. Dixon Technologies believes in inclusivity and is committed to providing a comfortable and welcoming environment for everyone.

**4. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | During the year, the Company has not conducted any assessment for it value chain partners, however, the same are being assessed on RoHS and EHS parameters. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

None. As no assessment of the value chain partners were conducted during the year.

## Principle 6: Business should respect and make efforts to protect and restore the environment.

The Company demonstrates a strong commitment to environmental sustainability across its operations. It has implemented robust mechanisms to manage energy consumption, with a notable increase in energy derived from renewable sources. The Company has also made significant strides in water management.

In terms of emissions, the Company has taken several steps to reduce its carbon footprint, including meticulous greenhouse gas emissions inventory, solar panel installations, transition to Piped Natural Gas (PNG), and green building certification. The Company also adheres to the Restriction of Hazardous Substances (ROHS) directive, limiting the use of six hazardous materials in the production of electronic and electrical devices.

The Company's waste management practices are anchored on the 3Rs principle: Reduce, Reuse, and Recycle, aiming to minimize waste generation. For e-waste and plastic waste, the Company partners with government-authorized recyclers, promoting responsible waste management and recycling.

Furthermore, the Company is compliant with applicable environmental laws and regulations, demonstrating its commitment to maintaining a high standard of environmental responsibility. In summary, the Company is making commendable efforts in integrating sustainability principles into its overall business strategy and operations, demonstrating its commitment to environmental stewardship.

SDG

### Essential indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2023-24 (TJ) | FY 2022-23 (TJ) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 15.22 | 9.28 |
| Total fuel consumption (B) | 0.29 | 0 |
| Energy consumption sources (C) | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | **15.51** | **9.28** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 88.98 | 88.49 |
| Total fuel consumption (E) | 14.19 | 10.23 |
| Energy consumption sources (F) | - | - |
| Total energy consumed from non- renewable sources (D+E+F) | 103.17 | 98.72 |

| Parameter | FY 2023-24 (TJ) | FY 2022-23 (TJ) |
|---|---|---|
| Total energy consumed (A+B+C+D+E+F) | 118.68 | 108 |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | 0.00018 | 0.00015 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | 0.32 | 0.34 |
| Energy intensity in terms of physical output* | - | - |

*Due to diverse products portfolio of the Company, it is not possible for the Company to compute Energy intensity in terms of physical output.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No, Company has not identified any sites/facilities as designated consumers (DCs) under the Performance, Achieve and Trade (PAT). However, being a responsible Company, significant importance is given to incorporating sustainability parameters into the business strategies.

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 2,99,526 | 68,683 |
| (iii) Third party water | 9,697 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **3,09,223** | **68,683** |
| **Total volume of water consumption (in kilolitres)** | **2,95,919.4** | **68,683** |
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | 0.46 | 0.098 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | 1,056.03 | 224.45 |
| Water intensity in terms of physical output* | - | - |

*Due to diverse products portfolio of the Company, it is not possible for the Company to compute water intensity in terms of physical output.

**Note:** The Company has established a new plant at C-8, Selaqui Dehradun, in the construction of which, water consumption was more.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Provide the following details related to water discharged:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | Nil | Nil |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | 4,059.6 | Nil |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | 4,059.6 | - |
| (iii) To Seawater | Nil | Nil |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| (iv) Sent to third-parties | 9,244 | Nil |
| - No treatment | 5,980 | - |
| - With treatment – please specify level of treatment | 3,264 | - |
| (v) Others | Nil | Nil |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | **13,303.6** | **Nil** |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   The Company has implemented numerous initiatives aimed at reducing water consumption and effectively managing wastewater. Despite being in the electronics manufacturing industry where water usage is minimal, the Company recognizes the significant water demand in its other operations. To address this, Sewage Treatment Plants (STPs) have been installed across various locations to treat wastewater. This treated water is then repurposed for activities such as gardening and cleaning.

6. **Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| $NO_x$ | µg/m$^3$ | 29.09 | 80.18 |
| $SO_x$ | µg/m$^3$ | 16.16 | 35.94 |
| Particulate matter (PM) | µg/m$^3$ | 120.40 | 331.01 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others | - | - | - |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. **Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:**

   The details are provided below:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 621 | 826 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 20,342 | 17,457 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | $tCO_2e$/Million | 0.03 | 0.02 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted **for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | $tCO_2e$/Million | 78.71 | 59.48 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | - | - | - |

*Due to diverse products portfolio of the Company, it is not possible for the Company to compute Scope 1 and Scope 2 Emission intensity in terms of physical output.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. **Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company has taken several steps to reduce its carbon footprint by integrating sustainability principles into its overall business strategy and operations. Notable initiatives include:

1. **Greenhouse Gas Emissions Inventory:** The Company is in the process to inventorise its greenhouse gas emissions to identify areas for improvement.

2. **Solar Panel Installations:** Solar panels have been installed at various locations, including plants and office facilities, to harness renewable energy.

3. **Transition to Piped Natural Gas (PNG):** The Company has shifted from High-Speed Diesel (HSD) consumption to cleaner PNG, contributing to reduced emissions.

4. **Energy-Efficient Equipment:** The Company actively employs energy-efficient equipment to minimize energy consumption.

5. **Fleet Upgrades:** Efforts are underway to upgrade the employee commute fleet from BS4 to BS6-compliant vehicles.

9. **Provide details related to waste management by the Company, in the following format:**

The required details are provided below:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 87.089 | 9.05 |
| E-waste (B) | 0.53 | N.A. |
| Bio-medical waste (C) | N.A. | N.A. |
| Construction and demolition waste (D) | N.A. | N.A. |
| Battery waste (E) | N.A. | N.A. |
| Radioactive waste (F) | N.A. | N.A. |
| Other Hazardous waste. Please specify, if any. (G) | 1.21 | 1.641 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 47.526 | 74.608 |
| Total (A+B + C + D + E + F + G + H) | 136.355 | 85.299 |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | 0.00021 | 0.0001 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | 0.48 | 0.27 |
| Waste intensity in terms of physical output* | - | - |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | Nil | Nil |
| (ii) Re-used | Nil | Nil |
| (iii) Other recovery operations | Nil | Nil |
| **Total** | Nil | Nil |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 0.018 | 1.288 |
| (ii) Landfilling | Nil | 1.188 |
| (iii) Other disposal operations | 136.337 | 82.823 |
| **Total** | **136.355** | **85.299** |

*Due to diverse products portfolio of the Company, it is not possible for the Company to compute waste intensity in terms of physical output.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

**10. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has instituted a comprehensive waste management system to handle waste from manufacturing and operations. This system is anchored on the 3Rs principle: Reduce, Reuse, and Recycle, aiming to minimize waste generation. A thorough process, starting with segregation at the source, enhances waste recyclability and reusability while reducing environmental contamination.

For e-waste and plastic waste, the Company partners with government-authorized recyclers, promoting responsible waste management and recycling. In the mobile and laptop sectors, production waste, except for laptop packaging, is returned to customers for proper disposal.

Moreover, the Company adheres to the Restriction of Hazardous Substances (ROHS) directive, limiting the use of six hazardous materials such as lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr6), polybrominated biphenyls (PBB), and polybrominated diphenyl ether (PBDE) in the production of electronic and electrical devices.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|

The Company is dedicated to the responsible and sustainable utilization of ecological resources, with a strong commitment to preserving the planet's rich biodiversity. It takes careful measures to ensure that its operations do not have any severe or irreversible effects on biological resources or biodiversity. Consequently, the Company ensures that none of its operations or offices are situated in or around ecologically sensitive or protected areas, such as national parks or wildlife sanctuaries. All of its office locations and plants are strategically located in industrial areas. This approach reflects the Company's commitment to environmental stewardship while maintaining its operational efficiency

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|

During the reporting period, no projects undertaken by the Company needed to get the Environment Impact Assessment (EIA) done.

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).**

If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|

Yes, the Company's operations and units comply with the applicable environmental laws and regulations and operate as per the rules, regulations and guidelines laid down by the Central and State Pollution Control Boards. Yes, the Company has adhered to all compliance requirements, and no penalties were imposed on it in the fiscal year 2023-24. This demonstrates the Company's commitment to maintaining a high standard of environmental responsibility.

## Leadership Indicators

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area - Nil

(ii) Nature of operations – None

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | - | - |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kilolitres) | - | - |
| Total volume of water consumption (in kilolitres) | - | - |
| Water intensity per rupee of turnover (Water consumed / turnover) | - | - |
| Water intensity (optional) – the relevant metric may be selected by the entity | | |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | | |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) Into Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) Into Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| -No treatment | - | - |
| -With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| -No treatment | - | - |
| -With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | - | - |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | The Company has not yet computed its scope 3 emissions. | |
| Total Scope 3 emissions per rupee of turnover | MT $CO_2$/Rupee turnover | | |
| Total Scope 3 emission intensity | | | |

**Note:** The Company has created a framework and is in the process of computation of Scope 3 emissions.

**Note:** Indicate if any independent assessment, evaluation, or assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

3. **With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable

4. **If the entity has taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | RoHS-Friendly Products | Dixon collaborates with customers to produce RoHS-friendly products. | Reduced hazardous substance content in products, contributing to environmental safety. |
| 2 | Eco Material Drive | Dixon has initiated a drive for eco-friendly materials in its supply chain. | Increased adoption of sustainable materials, reducing environmental impact. |

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   The entity has a robust business continuity and disaster management plan in place, which includes comprehensive risk assessments, tailored policies, and stringent controls. Operating under a well-defined risk management policy, it continually evaluates, responds to, and monitors risks to safeguard key objectives. By employing a systematic approach, it anticipates and mitigates potential threats, ensuring the organisation's resilience. This entails thorough risk evaluation, categorization, and prioritization to allocate management attention effectively. For further details, you can visit https://www.dixoninfo.com/json/dixon/codes-policy/risk-management-policy.pdf to explore their comprehensive risk management framework and strategies.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Dixon Technologies acknowledges the significance of reducing its environmental footprint throughout its entire value chain. The Company has established specific sustainability goals, which serve as its strategy to deliver consistent competitive performance, create long-term value for its stakeholders, and minimize environmental impact. No significant adverse impact is caused to the environment through our value chain of the Company.

7. **% of Value chain partners (by value of business done with such partners) that were assessed for Environmental Impacts?**

   The Company has not yet conducted any environmental impact assessment of the value chain partners of the Company.

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

The Company actively collaborates with prominent industry chambers and associations, advocating for best practices in policy development. Their commitment to promoting positive relationships and industry standards reflects the Company's dedication to excellence.

SDG

### Essential indicators

**1.** a. **Number of affiliations with trade and industry chambers/associations.**

The Company is affiliated with 6 trade and industry chambers/ associations.

b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.**

| S. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/ associations (State/ National) |
|---|---|---|
| 1 | Confederation of Indian Industry (CII) | National |
| 2 | Electronic Industries Association of India (ELCINA) | National |
| 3 | Electric Lamp and Component Manufacturers (ELCOMA) | National |
| 4 | India Cellular & Electronics Association (ICEA) | National |
| 5 | Federation of Indian Chambers of Commerce & Industry (FICCI) | National |
| 6 | Consumer Electronics and Appliances Manufacturers Association (CEAMA) | National |

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.**

| Name of the authority | Brief of the case | Corrective action taken |
|---|---|---|
| | N.A. | |

### Leadership Indicators

**1. Details of public policy positions advocated by the Company:**

| S. No | Public Policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/ No) | Frequency of Review by Board (Annually/ Half yearly/Quarterly/Others- please specify) | Web Link, if available |
|---|---|---|---|---|---|
| 1 | The Company takes proactive steps to engage with industry chambers and associations, advocating for best practices in policy development. | | No | N.A. | N.A. |

## Principle 8: Businesses should promote inclusive growth and equitable development.

The Company exemplifies a robust commitment to social responsibility through its Corporate Social Responsibility (CSR) programs. By actively engaging with communities, advocating for best practices, and supporting vulnerable groups, The Company contributes to sustainable living and positive impact. This efforts encompass education, healthcare, environmental sustainability, and skill development, reflecting their dedication to effecting positive change.

**SDG**

### Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.**

| S. No | Name of Project for which R&R is ongoing | State | District | % of PAFs covered by R&R | % of PAFs covered by R&R | Amount sent on R&R activities during FY 2023-24 (In ₹) |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:**

| S. No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount sent on R&R activities during FY 2023-24 (In ₹) |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

**3. Describe the mechanisms to receive and redress grievances of the community.**

The organisation actively engages with the community through its CSR initiatives, aiming to address their concerns and fulfil their needs. This engagement takes various forms, including CSR projects and surveys. Through these interactions, a two-way communication channel is established. Communities can share their concerns, feedback, grievances, and needs, while the organisation informs them about the outcomes of community interventions, future plans, and how grievances are addressed.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directly sourced from MSMEs/small producers | 7% | Not mapped |
| Directly from Within India | 31% | |

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Location | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
|---|---|---|
| Rural | Nil | Nil |
| Semi-urban | Nil | Nil |
| Urban | 100% | Not mapped |
| Metropolitan | Nil | Nil |

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

For the purpose of categorisation of people employed at locations into Rural / Semi-Urban / Urban / Metropolitan, the following mechanism has been adopted along with RBI Classification System:

(a) Metropolitan cities considered are the nine cities, i.e. Mumbai, Pune, Delhi, Ahmedabad, Surat, Chennai, Kolkata, Bangalore and Hyderabad.

(b) All manufacturing locations (Plants) except (a) above are mapped under Urban locations.

## Leadership Indicators:

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

The Company has during FY 2023-24 undertaken Impact assessment of its CSR initiatives to assess the direct/ indirect impact of Dixon's support and ensuring that the CSR funds are utilised on track and fulfilled its objectives. No negative social impacts were identified in the social impact assessments undertaken during FY 2023-24.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No | State/ Location | Aspirational District | Amount Spent (RS.) |
|---|---|---|---|
| During the FY 2023-24, no CSR projects were undertaken by the Company in designated aspirational districts as identified by Niti Ayog, Government of India. | | | |

**3.** A. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups (yes/no)?

No

B. From which marginalised/ vulnerable groups do you procure?

Not applicable.

C. What percentage of total procurement (by value) does it constitute?

Not Applicable.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable as the Company does not own or acquired any intellectual property rights based on traditional knowledge.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

## 6. Details of beneficiaries of CSR projects:

The Company is committed to operating and growing its business in a socially responsible way. Its purpose is to make sustainable living commonplace.

The Company's Corporate Social Responsibility (CSR) Policy, approved by the Board of Directors, outlines a clear agenda through which it will continue to contribute to the community at large. The Company has been actively engaged in various CSR projects involving inter-alia, water conservation, nutrition, skill development, health, hygiene, waste management and environmental sustainability. Please refer to the Company's Integrated Annual Report for more details on its CSR initiatives.

Some of the CSR projects undertaken by the Company during the FY 2023-24 and the beneficiaries therein are as under:

| S. No. | CSR Projects | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1 | Reimagining Higher Education Foundation (Plaksha) | 50 Undergraduate students | 100% |
| 2 | Labhya Foundation | 4,86,689 Vulnerable children<br>30,418 Government School Teachers<br>4664+ Government Schools<br>3 states (Delhi, Uttarakhand and Tripura) | 100% |
| 3 | Saint Hardyal Educational and Orphans welfare Society (SHEOWS) | 60 abandoned and destitute elderly beneficiaries | 100% |
| 4 | Nav Abhyan | 45 Pre-Primary Children<br>72 Primary Students<br>36 Middle Level Students<br>20 High School Students | 100% |
| 5 | Jan Madhyam | 42 trainees for rehabilitation training<br>217 trainees for recycling<br>100 trainees for gardening<br>217 trainees for craft activities | 100% |
| 6 | Purkul Youth Development Society | 17 Girls and 11 boys of Class VIII and IX | 100% |
| 7 | Bansividya Memorial Trust | 71 Child beneficiaries | 100% |
| 8 | Mahavir Foundation Trust | 196 Students | 100% |
| 9 | Chinmaya Organisation for Rural Development | 946 Beneficiaries | 100% |
| 10 | Etasha Society | 302 Students | 100% |
| 11 | Sapna | Youth in the age group of 11 t0 18 Years (36 Trainees Enrolled) | 100% |
| 12 | Latika Roy Memorial Foundation | 25-30 disabled children | 100% |
| 13 | Utkarsh Global Foundation | 1272 villages along with 1000 underprivileged woman | 100% |

## Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Dixon Technologies, operating on a B2B model, has shown a strong commitment to maintaining high standards in its operations. The Company ensures 100% turnover from products/services that adhere to environmental and social parameters, safe usage, and recycling or safe disposal.

The Company has also implemented a robust cybersecurity policy to safeguard data stored on end-user devices, reflecting its commitment to data privacy and security. There were no instances of data breaches, further emphasizing the effectiveness of their cybersecurity measures.

Information about the Company's products is readily accessible through their website, demonstrating transparency in their operations. In the event of any unforeseen disruptions, the Company has mechanisms in place to inform consumers through their website, various mass media platforms, and stock exchange announcements. This proactive approach highlights the Company's dedication to maintaining open communication channels and ensuring customer satisfaction.

Overall, Dixon Technologies' initiatives reflect a strong commitment to maintaining high operational standards, prioritizing data security, and ensuring transparency and communication with its clients.

**SDG**

4 QUALITY EDUCATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

### Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company does not directly engage with the end customers of its products since it works on a B2B model.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

**3. Number of consumer complaints in respect of the following:**

| Number of consumer complaints in respect of the following: | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil, no complaints have been received under any categories | | | Nil, no complaints have been received under any categories | | |
| Advertising | | | | | | |
| Cyber-security | | | | | | |
| Delivery of essential services | | | | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |
| Other | | | | | | |

**4. Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | 0 | N.A. |
| Forced recalls | 0 | N.A. |

**5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has implemented a robust cybersecurity policy to safeguard data stored on end-user devices. This policy is accessible via the Company's Intranet, providing users with clear guidelines for secure data handling. Also, the Company has a data privacy policy which is available on the website of the Company on https://www.dixoninfo.com/codes-policies.php

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Nil, No significant concerns/complaints/penalties/regulatory actions were identified during the year.

**7. Provide the following information relating to data breaches:**

| | Provide the following information relating to data breaches: |
|---|---|
| a. Number of instances of data breaches along-with impact | 0 |
| b. Percentage of data breaches involving personally identifiable information of customer | 0 |
| c. Impact, if any, of the data breaches | Not applicable |

## Leadership Indicators

1. **Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).**

   Consumers can access information about the Company's business verticals through Company's website (www.dixoninfo.com), along with a dedicated email addresses for contacting relevant department.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Not Applicable, As Dixon Technologies operates on a Business-to-Business (B2B) model, it doesn't directly interact with the end users of the products. The onus is on the Client to inform and educate the customers about the safe and responsible usage of products and/or services.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company does not deal with any essential services. However, in case of any unforeseen disruptions, they disseminate information through their website, various mass media platforms and stock exchange announcements.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/No)**

   Not Applicable as the Company does not directly deal with the end user of the products.

# Annexure-V

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

### a. Conservation of energy:

Energy Conservation continues to be a key focus area for the manufacturing plants and related functions. Continuous improvement programs help to optimize, reduce specific consumption of fuel, power and water. Benchmarking of best performance, base lining of best consumption and identification of losses is considered for setting targets. Environmental sustainability is embedded in the Dixon Environmental policy which reflects that the Company pursues the path of Industrial development in harmony with the environment. As part of long term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers, stakeholders and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. As an organization, your Company is committed to the goal of sustainable and inclusive growth. As a manufacturer of electrical products, your Company has a special responsibility towards energy conservation. This is reflected in our product development efforts and process upgrades.

Also, as part of our go-green initiative, the Company has installed solar roof tops panels to reduce dependency on non-renewable sources at its facilities. This will enable your Company to reduce costs and increase operational efficiency. Your Company has converted Diesel generators (DGs) on duel fuel (HSD to PNG). Your Company from time to time train its employees and workers on energy saving measures.

Also, your Company ensures that the amount of Carbon dioxide emissions in the atmosphere as a result of the business and production activities is minimum through its Carbon disclosure program. Under this program your company keeps a track of the carbon dioxide emissions from its business activities and takes appropriate actions wherever necessary to keep the carbon emissions to its minimum levels. This way your Company is also contributing a carbon footprint strategy in the organisation.

Furthermore, your Company is careful of its water consumption and in this regard, your Company has taken measures towards waste water treatment. In this stride, your Company, at its own cost and efforts, has commissioned Sewage treatment plants (STP) in few of our manufacturing facilities. The said STP plants are monitored and supervised on daily basis. With the help of the said STP plants, your Company is successful in treating the waste water and thereby reducing water consumption. Also, to amplify the water conservation, rain water harvesting systems have also been introduced in few of our units. RO water which is discharged is re-used in toilets, cleaning utensils etc. Push Punch water taps have also been installed to ensure minimum wastage.

Some of the other conservative measures, which your Company has already implemented are:

a. Optimum usage of Air Conditioners throughout its premises by ensuring that there is no cool air leakage.

b. Usage of LCD monitors (energy efficient) in place of normal CRT monitors;

c. Turning off lights in all floors when employees are not working;

d. Turning off the air conditioners during non-peak hours and on weekends.

e. Usage of treated water to recharge ground water.

f. Installation of sun film to dissipate heat

g. Usage of LED lights for all its lighting solutions

h. Installation of Solar panels across office/ plant locations

During the year under review, the Company has not made any capex towards energy conservation measures.

### b. Technology absorption:

The technology focus for your Company has been on process improvement for better quality, lower cost, new product development and import substitution.

(i) Your company is committed to the cause of technology absorption with the state-of-the-art facilities that caters to the design and development of products under the various segments that the Company operates in;

(ii) We have dedicated design houses and development centres across multiple locations.

(iii) For the LED TV segment, we have engineers working across own design solutions & Technology advancement with the with the able support of various TV components and this segment is steady on its path towards technological advancement. We have successfully designed / developed our own solution in Google/ Tizen TV/ Coolita Operating System & other platform and launched the same in market in FY 25.

Also, we have successfully launched interactive touch panel displays in big sizes (65" ~ 98") in FY 2023-24.

(iv) For our washing machines, technological absorption is ensured via a New Advance Environmental Testing Chamber which is installed in Dehradun R&D Lab for Research & Testing Purpose. Also, NABL approved Lab would be installed in Dehradun R&D Lab for Energy, Performance & Safety Testing for customer approval & future research validations. The factory's BIS certification would be done as per the latest QCO from Government of India (GOI).

(v) Pertaining to our lighting segment, we have taken decisive strides forward. In outdoor lighting like flood and street lighting, Dixon has a global level R&D infrastructure for product testing and validation. We are also in the process of upgrading to a world class infrastructure for testing of various product categories in lighting solutions vertical.

(vi) For mobiles segment, the same approach exists and technology absorption is noted via Dixon's certification as a member for Android product development, in-house reliability labs for product design, cost innovation teams as well as cooperation with recognized Test Labs for product testing and validation.

(vii) We are also in the process of developing "Smart Factory" for Mobile manufacturing which will further streamline operations and enhance productivity.

(viii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable

(ix) the expenditure incurred on Research and Development.

(a) Capital : ₹ 429 Lakhs (Previous year – ₹ 542 Lakhs)

(b) Recurring: ₹ 1210 Lakhs (Previous year – ₹ 760 Lakhs)

(c) Total: ₹ 1639 (Previous year – ₹ 1302 Lakhs)

(d) Total R & D expenditures as a percentage of total turnovers : ₹ 0.26% (Previous year – 0.19%)

## 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 | 2023-24 | 2022-23 |
|---|---|---|
| CIF VALUE OF IMPORTS GOODS | 3,38,351 | 3,48,227 |
| EXPENDINTURE IN FOREIGN CURRENCY | 521 | 348 |
| **Total** | **3,38,872** | **3,48,575** |

**Foreign Exchange Earnings (₹ in Lakhs):**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Export (FOB Basis) - | 613 | 753 |

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

Sd/-
**Mr. Sunil Vachani**
Executive Chairman
DIN:00025431

Sd/-
**Mr. Atul B. Lall**
Vice Chairman & Managing Director
DIN:00781436

Place: Noida
Date: 30th July, 2024

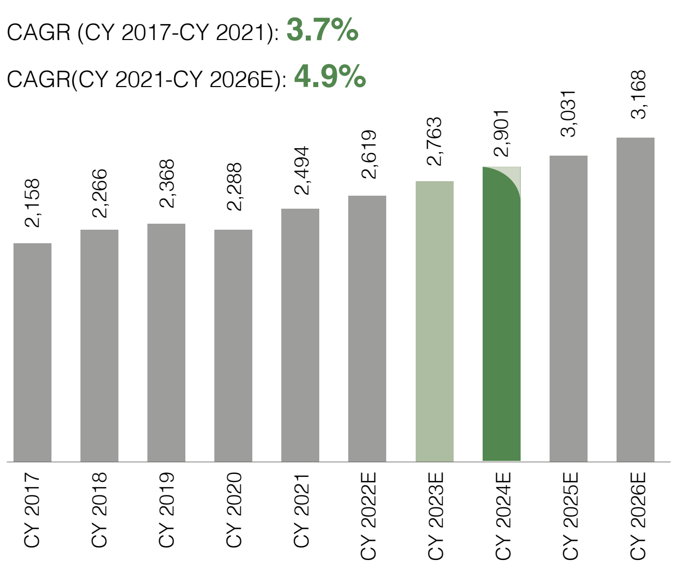
# Management Discussion and Analysis

## Global Electronics Industry

The global electronics industry includes electronic products, electronic design, electronic components and electronic manufacturing services. The electronics industry is one of the largest and fastest growing industries in the world as these products continue to significantly impact and shape our lifestyles even in today's digital age. With the digital acceleration caused by the COVID-19 pandemic, the world is more connected than ever before. Therefore, the demand for electronic devices is expected to grow steadily and will continue to be a significant economic driver around the world.

The global electronics industry was valued at USD 2,288 billion in 2020 and grew to USD 2,494 billion in 2021. As per Frost & Sullivan analysis, the industry is expected to grow at a CAGR of 4.9% to reach USD 3,168 billion by CY2026. Some of the critical factors driving this growth are increasing disposable income, improved acceptability of audio and video broadcasting, higher broadband penetration, inclination of the youth towards next gen technologies, emergence of e-commerce, rising demand from rural markets especially for washing machines and mobile phones, etc.

**Overall Electronics industry, global, value in USD billion, growth in %, CY2017-CY2026E**




Note : E refers to Estimate

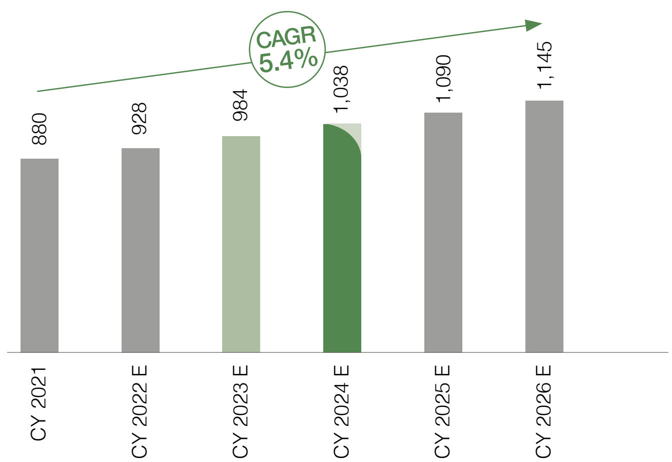
Source : Frost & Sullivan

## Global EMS industry

### Global electronics industry shifting from in-house to EMS players

Electronics manufacturing is divided into two categories: products manufactured in-house by OEMs and products manufactured by EMS companies. Currently, in-house electronics manufacturers account for about 65% of the total electronics industry, and their contribution is significant. In recent years, the participation of EMS players has increased significantly, making the job of OEMs easier. The CAGR of in-house and EMS manufacturing is expected to be 4.6% and 5.4%, respectively.

**Global EMS industry market size, value in USD billion, CY2021**




Source: Frost & Sullivan

## Indian Electronics Industry - Historical Trends & outlook

India's aim to become a USD 5 trillion economy by FY 2025-26 hinges significantly on ramping up its electronics manufacturing industry to USD 300 bn, a substantial leap from its current standing at USD 100 bn. With an ambitious target of exporting 40% of this production to global markets the government has shifted its approach from import substitution under the Phased Manufacturing Program to a 'Make In India for the World' strategy, embodied by the Production Linked Incentive scheme. This strategic pivot aims to position India as a premier global destination for electronics manufacturing. Embracing this forward-looking perspective promises to revolutionise India's manufacturing landscape, prioritising competitiveness, scalability, and export capacity.

With the ever-increasing use of electronics in one's day-to-day life, the electronics industry has been one of the fastest growing industries, especially in India. While the global electronics industry is expected to grow at a 5% CAGR to USD 3.2 Tn over CY21- 26E, India's electronics industry is expected to grow at 22% CAGR to ₹ 28.8 Tn over FY23 - 28E, led by:

(1) strong local consumption given low penetration levels, rising disposable income and changing lifestyles

(2) shorter electronic product lifecycle due to rapid technological advancement

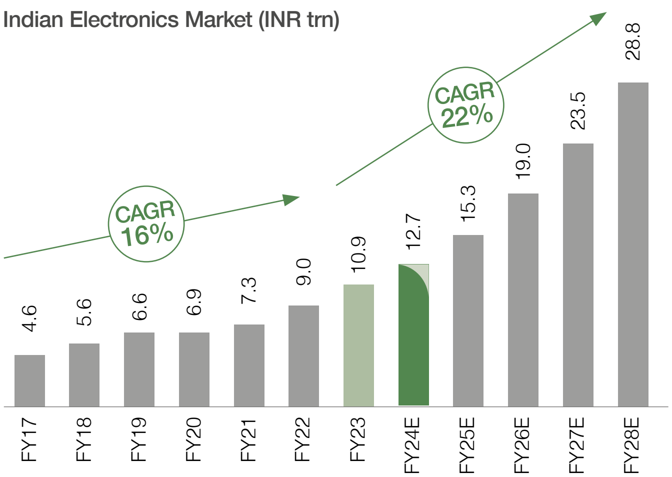
(3) increased localisation of components making things more affordable and cost competitive

(4) changing geopolitical landscape (China+1)

(5) industry 4.0, system automation

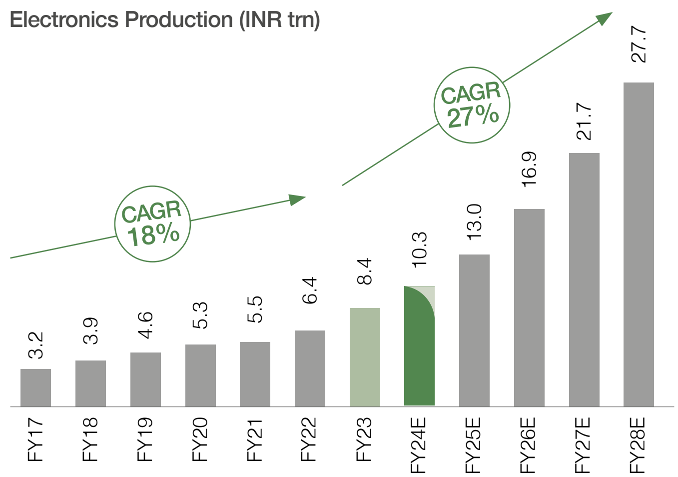
(6) government policy initiatives to incentivise local manufacturing.

**Total Electronics market, value in INR trn, India, FY17-FY28E**




Source: HSIE Research

**Domestic production to grow at 27% CAGR**




Source: HSIE Research

In FY23, India produced electronics products worth ₹ 8.4 trillion, contributing 3.1% to the nominal GDP. With the government encouraging local manufacturing to increase competitiveness on both the import and export sides, the Indian electronics manufacturing industry is expected to grow at a CAGR of 27% to reach ₹ 28 trillion during FY23-28E.

**$30Bn**
Fiscal incentive for ESDM & Allied Sectors

**OVER2X**
increase in domestic production of electronics in last 6 Years

**#2**
largest mobile manufacturer & internet uses in the world

**USD4.43Bn**
FDI Inflows in Electronics Industry during Apr 2000 - Sep 2023

**$155 Tn**
Indian Electronics Market

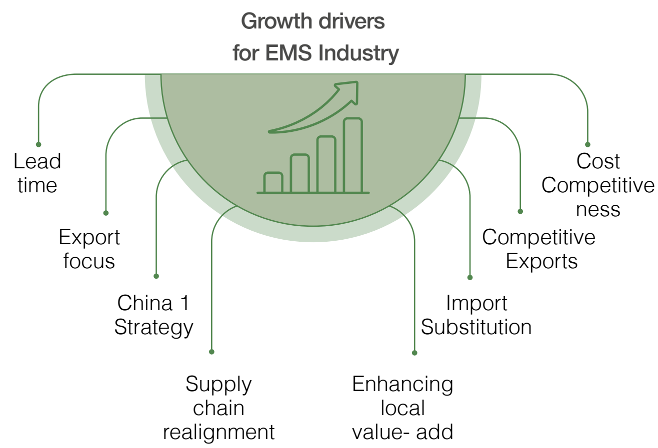
**100%FDI**
Allowed in Electronics Industry sectors

Source: MeitY, EY, MOAMC Internal, MOIE

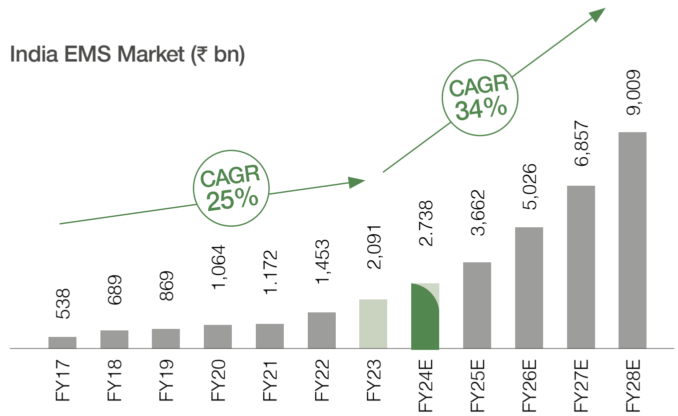
## Indian EMS Market

India's ₹ 2 Tn ESDM market is expected to see an accelerated CAGR of 34% to reach ₹ 9 Tn by FY 28, given a strong consumer economy with increasing demand for consumer and industrial electronics. Moreover, there is greater emphasis on domestic production of electronics from the government in its bid to become self-reliant. Favourable policy initiatives in recent years, along with the changing global manufacturing environment have made India a preferred destination for electronics manufacturing investments.

### Growth drivers for the EMS industry

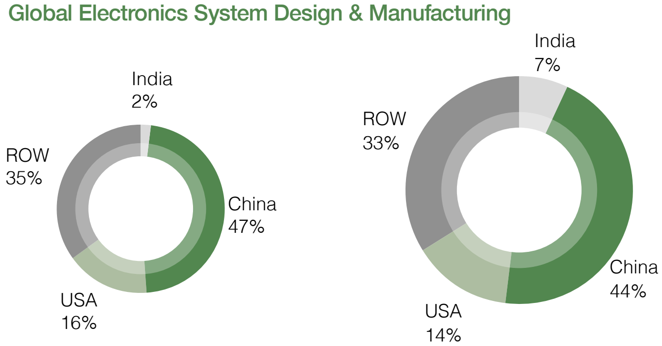



### India to be the fastest growing EMS market




Source: HSIE Research

### Global Electronics System Design & Manufacturing

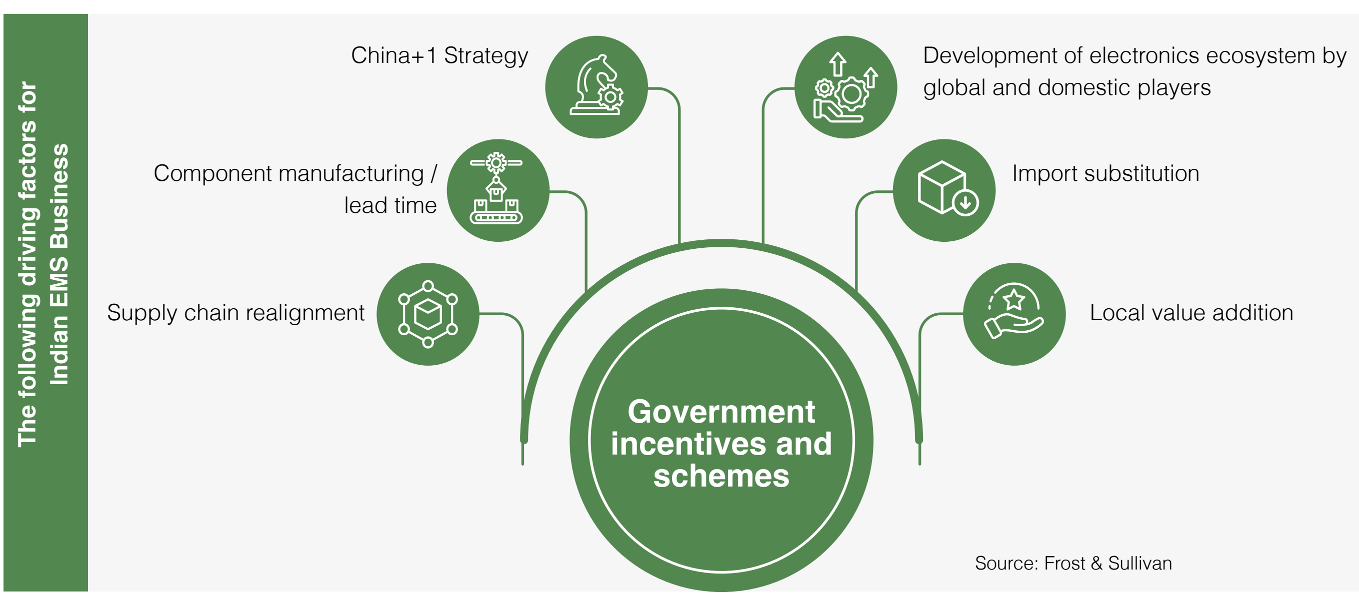



Market Size CY21 (USD 880bn)

Market Size CY26E (USD 1,145bn

Source: Frost & Sullivan

China dominates the global EMS market with a 47% share in calendar year 2021 due to (1) operational cost advantages, (2) availability of a large number of highly qualified employees, (3) infrastructure and logistics advantages, and (4) proximity to the largest end-user base across all end-use industries. However, post-COVID-19, many global electronics manufacturers are considering a China+1 strategy and are therefore looking for alternative production locations for exports. While China will continue to hold the largest share, this shift creates huge investment potential for countries such as Vietnam, India, and the Philippines. As the Indian government focuses on enhancing India's global competitiveness in electronics manufacturing through various policy support measures, India's share in the global EMS market is expected to increase from 2% in calendar year 2021 to 7% in calendar year 2026.




Source: Frost & Sullivan

## Segment overview

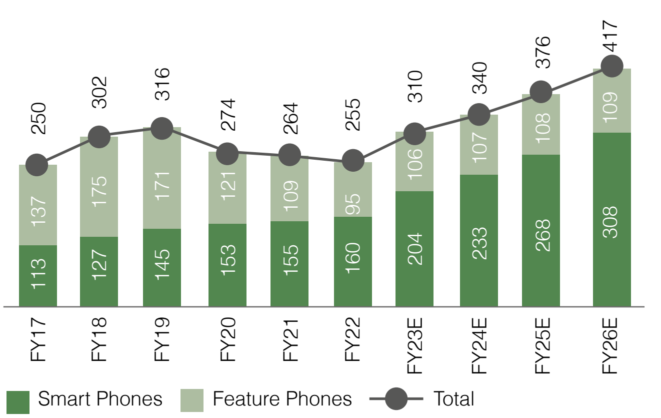
## Mobile phones

The Indian mobile phone market consists of both feature phones and smartphones. India is one of the fastest-growing smartphone markets in the world which is expected to grow at 14% CAGR over FY22-26. However, the feature phone segment is expected to remain stagnant during this period.

Mobile phones accounted for nearly two-thirds of the EMS business in India. Constant innovation coupled with better availability, declining prices, and increased customers spending are driving an increase in mobile phone penetration in India. Additionally, mobile phone penetration has increased further because of the proliferation of mobile data networks, a widespread distribution network, and support from e-commerce. Over the past few years, the government has imposed several duties on import of mobile phones, which drove the increase in assembling these phones in India. This move made locally manufactured devices less expensive than imported ones, encouraging even international brands to manufacture in India. India has evolved from a net importer of mobile phones to a net exporter.

Through the years, domestic value addition in mobile phones has improved as well. From ~10- 15% in 2017, it improved to 15-20% in 2022. The government, through the PLI scheme, expects to drive this up to 35-40%. Meanwhile, components like camera modules, battery packs, housing, charger, USB cable, and PCBA are sourced locally; this has helped mobile manufacturing in India transition from semi-knocked-down (SKD) to completely-knocked-down (CKD) level, courtesy the Phased Manufacturing Program (PMP). Budget FY24 reduced customs duties on the import of certain parts and inputs like camera lens to increase local value addition in manufacturing mobile phones.

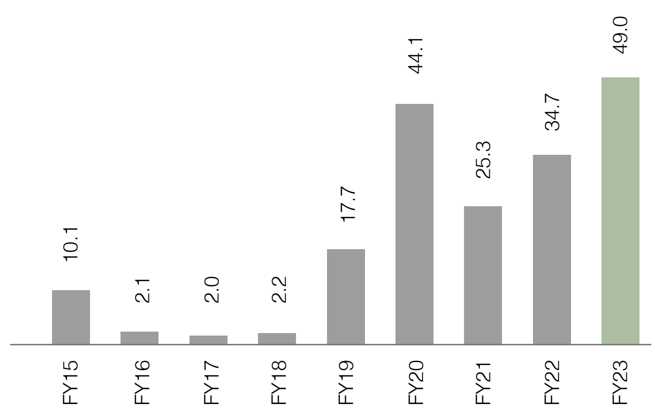
### Mobile phone units manufactured in India (mn units)




Source: Axis Capital

As a result, India's import of smartphones has practically become negligible which is a testament to the growing manufacturing/assembly capability in the country. Moreover, the mobile exports business continues to see robust momentum with exports having grown by 100% and crossing ₹ 900 bn for FY23.

### India mobile phones Exports (mn units)




Source: Axis Capital

Revenues for the segment for FY 23-24 was ₹ 10,919 crs with an operating profit of ₹ 355 crs.

Mobile Segment is the highest growth vertical for Dixon with PLI Scheme acting as a catalyst. Post Approval under the PLI Scheme, we have started manufacturing for global players for both Domestic & Export Market.

In FY 23-24, the Company touched a significant milestone of manufacturing 15 Mn Smart Phones & 38 Mn Feature Phones. We have now created an annual capacity of 50 mn smart phones & 40 mn Feature phones and have a healthy order book in FY 24-25 with almost all brands manufacturing with us in Android Ecosystem. We will be continuing to make incremental investments towards meeting the increased order book of our customers including technological upgradation.

In line with our strategy to deepen the level of manufacturing, we have finalised technology partner for manufacturing of display module & will start manufacturing by start of FY 25-26. We are also looking to get into Precision components, mechanicals, various other modules, die cut, connectors, cables which are in various stages of discussion with partners. All these will help us in acquiring the technical bandwidth and create a moat in the business and also leverage for the proposed component PLI Scheme.

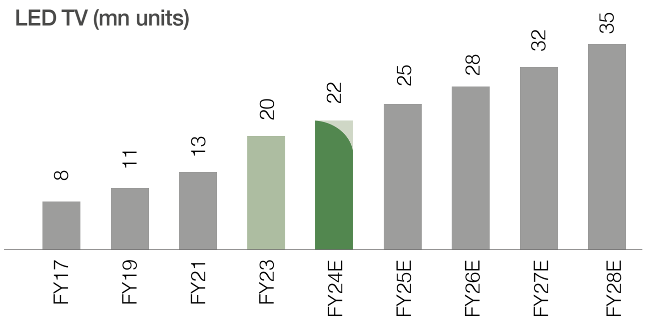
### Consumer electronics

India's total television market of 22.6 Mn units (FY23) is dominated by LED TV which consists of 87% of total industry volumes. Televisions amongst all other consumer electronics have one of the highest penetration levels within the country at 65%+. With decreasing manufacturing costs and increasing consumer affordability, LED TV volumes are likely to grow at a CAGR of 10-12% over the coming years. With the rapid growth of OTT, availability of high-definition content and high-speed broadband, consumers are increasingly preferring Smart TVs

Almost all LED TVs are assembled within the country, led by EMS players (70%+ share).

**LED TV volumes to grow at C.10-12% CAGR**

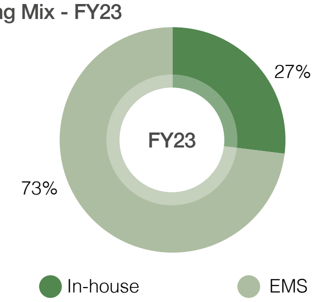
LED TV (mn units)




Source: HSIE Research

**Manufacturing dominated by EMS players**

Manufacturing Mix - FY23




Source: HSIE Research

Revenues for the segment FY 23-24 stood at ₹ 4,148 crs with an operating profit of ₹ 141 crs.

With an annual capacity of 6.5 mn units, we are one the largest LED TV manufacturers in India. During the year, company started manufacturing Interactive Flat Panel Display & Digital Signages Solutions from 65 to 100 inches & our first ODM based Google TV Solutions from 32 inches to 85 inches were rolled out. We have also started manufacturing LED TV's with "Tizen" Operating system under partnership with Samsung.

We have already started injection moulding shop for TV, invested in SMT line for LED Bars & also exploring more local value addition in certain components which are imported in line with our continued focus on backward integration strategy to deepen the level of manufacturing in India

A state-of-the-art R&D center has also been established in Noida for the development of superior products and services in the segment. We are also exploring partnerships for manufacturing of Industrial, Institutional & Automotive Displays.

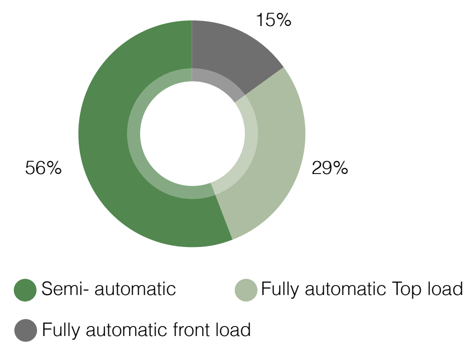
### Home appliances

The home appliances segment in India has seen a consistent increase in sales volume led by increasing affordability, rising aspiration of consumers, focus on energy-efficient products and increasing digital penetration. In addition to this, the low penetration of washing machines (13-14%) enough headroom for growth in the medium-long term for both these categories.

The washing machine market is dominated by semi automatic systems with a 55%+ share and the balance is fully-automatic Front Load & Top Load.

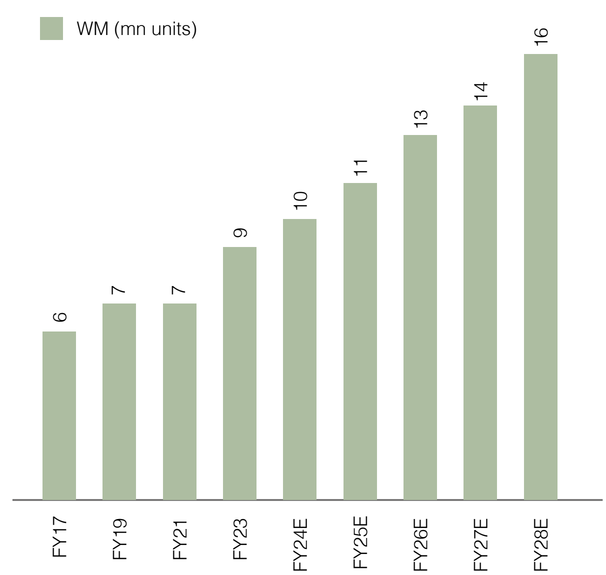
The washing machine industry has strong manufacturing capabilities with a low dependence on imports.

**Washing machine market breakup (by volume)**




Source: BNP Paribas Exane Estimates

**Washing Machine Volume to grow at 13% CAGR**




Source: HSIE Research

The Company under this segment achieved revenue of ₹ 1,205 crores with an operating profit of ₹ 131 crs

Dixon has one of the largest portfolios of 250+ odd models (6kg to 14kg) with capacity of 2.4 mn p.a. in Semi-Automatic Category & 140+ models (6.5 kg to 11 kg) with capacity of 0.6 Mn p.a. in Fully Automatic Category. Our new state-of-the-art facility in Dehradun got operational in FY 23-24 & our industrial footprint are BIS & NABL certified which strengthens our competency & reliability.

We are backwardly integrated for plastic moulding and sheet metal stamping. In addition to this, to cut down imports from China, we have developed our own Tool Room for in-house Mould Manufacturing. The entire revenue is ODM-driven with our own R&D Lab & we are increasingly making more R&D investment to meet changing consumer and industry preference.

The focus remains on introducing more designs with new features in both the categories of semi and fully automatic. Also, we are actively working to acquire more clients, especially for the fully automatic washing machine segment.

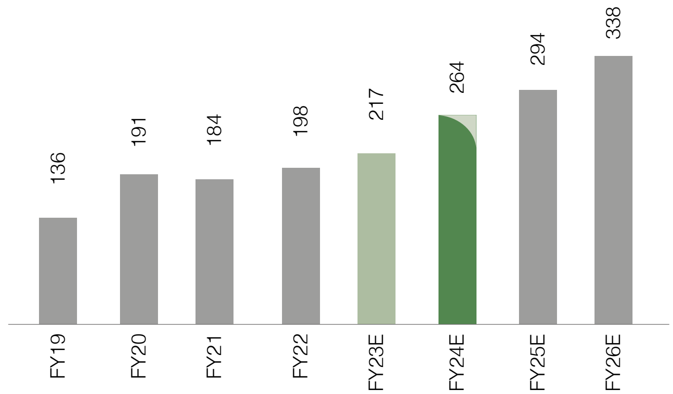
## Lighting products

The Indian LED lighting industry has witnessed remarkable growth in recent years, driven by factors such as government initiatives promoting energy efficiency and increasing consumer awareness about sustainable lighting solutions. The industry is witnessing robust growth in both consumer and professional LED luminaires segments. As the market continues to grow and technological advancements continue, LED lighting is anticipated to become even more prevalent across diverse sectors, contributing to a more energy-efficient future for the country.

As per Frost & Sullivan, India's LED lighting market was estimated at ₹ 217 bn in FY23, with leading players being Signify, Crompton, and Havells. Although volumes have grown over the past few years, the drop in pricing has offset this, leading to sluggish growth in this vertical. India's imports and exports of LED lighting are almost negligible, although, like other electronics manufacturing, dependence on component imports is high. To change this, the government has introduced the PLI scheme for LED components, expected to drive backward-integration initiatives by LED lighting manufacturers, thereby improving domestic value addition.

While B2C demand continues to remain soft, there is sustained momentum in the B2C segment. Moreover, the price drop which happened due to the migration of technology now seems to have bottomed out.

**India- LED Lighting marking (₹ bn)**




Source: Frost & Sullivan, Axis Capital

The segment reported a revenue of ₹ 787 crores for the year with an operating profit of ₹ 59 crs.

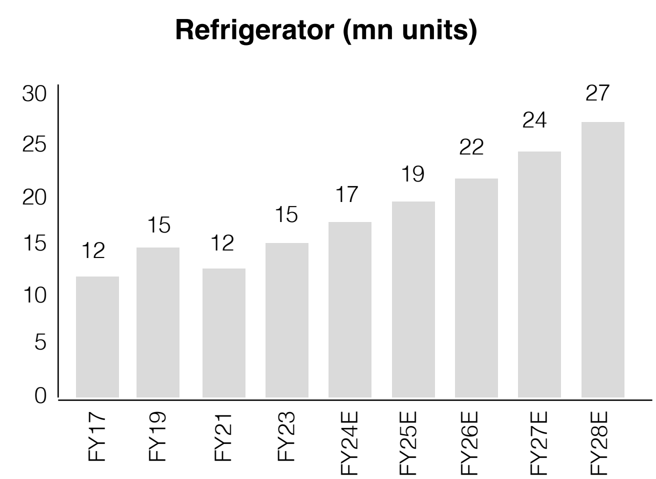
Dixon is one of India's largest ODM players in lighting solutions offering 2000+ variants of LED bulbs. With a capacity of manufacturing 200 mn LED lamps annually. In addition to lamps, LED batten capacity stands at 40 mn units while downlighters stand at 20 mn units.

We launched Professional Light Series, Rope & Strip Lights in FY 23-24 & are further increasing the basket by expanding into DoB range of Flood lights and Streetlights along with diversifying our product basket to high value & premium products in FY 24-25.

We have started Injection Moulding for Ceiling lights & Extrusion for Battens is planned in FY 24-25 to achieve better cost optimisation & acquiring competitive strength.

## Refrigerators

**Refrigerators volume to grow at 12% CAGR**




Source: HSIE Research

Direct cool refrigerators dominate the market with a 60% share given their lower cost and ease of maintenance. However, frost-free refrigerators should grow at a faster rate due to their energy-rating capabilities and improved cooling efficiency. Refrigerators have a household penetration level of 33% which implies enough headroom for growth in the medium-long term for both these categories.

The Company has successfully started manufacturing in its new facility in Greater Noida with a capacity of 1.2 Mn direct cool refrigerators annually, catering to almost 10% of India's market needs for units ranging from 190 to 235 litres, inclusive of various models and star ratings.

We have backward integrated many production processes & will be further investing towards injection moulding & we have already started working on further expanding the product portfolio in FY 24-25.

### Laptops and Tablets/IT hardware products

Dixon has been approved as a beneficiary under the IT Hardware Production Linked Incentive (PLI) 2.0 scheme through its subsidiary, gadget, committing to an investment of ₹ 250 crs under Hybrid Category. In addition to our existing Customer base, we have already finalised contracts with 2 new global brands for manufacturing of Notebooks & Tablets. Mass Production for Tablets has started & Notebooks will most likely start getting manufactured by end of Q3 of next fiscal year. We are setting up a dedicated 3.0 Lacs sq ft. plant for IT Hardware products in Chennai. Additionally, we also feel confident to manufacture for 2 other large global brands and will start manufacturing for them by FY 25-26.

### Telecom and networking products

The revenue under the segment was ₹ 685 crores for FY 2023-24. With strong order books from the existing customers, our Noida facility has now scaled up to cater their requirements. The Company is actively engaged in mass production for Telecom GPON-ONT, which includes advanced WiFi-5 & WiFi-6 routers, as well as Android set-top boxes, 5G FWA (Fixed Wireless Access), serving major market players and a leading mobile service provider. These projects are being undertaken in partnership with globally recognised Original Design Manufacturers (ODMs).

Further, we have set up our own tool room and have started manufacturing Chargers & Adapters captively.

With the growing size of the order book, we have added a new facility in Noida which indicates a promising future for the segment, indicating its potential for sustained growth and expansion.

### Inverter controller systems for Air-conditioners

The JV achieved revenue of ₹ 362 crs in FY 23-24.

With a strong order book, healthy margins & strong ROCE, the 40:60 JV with Japanese company Rexxam to manufacture Inverter controller boards for Air conditioners looks promising.

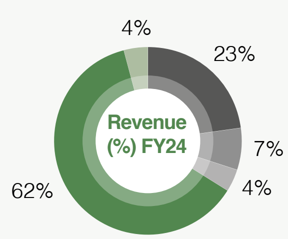
### Wearables and Hearables

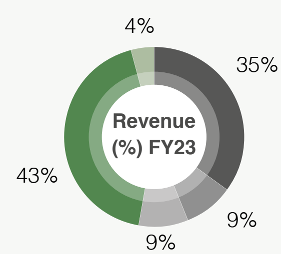
As per IDC, India recorded shipment of ~100 mn units in CY22, +47% YoY. This can be split into ~69% share of earwear (69 mn units), and the remainder share of smartwatches (30 mn units) and wrist bands (0.6 mn units). This market is dominated by local players such as boAt, Noise, Fire Bolt, OPPO, etc.

The segment under partnership with 'boAt' achieved revenues of ₹ 747 crores, delivering strong operating and superior ROCE & order book in this vertical looks healthy. Company has also backwardly integrated for in-house Printed Circuit Board Assembly (PCBA).

### Segment-wise revenue distribution

| Categories | Product/Services |
|---|---|
| Consumer Electronics | LED TVs, AC PCB, Refrigerator |
| Home Appliances | Washing machine |
| Lighting Products | LED bulbs, battens, downlighters, etc |
| Mobile Phones and EMS | Feature and smart phones, IT Hardware, Telecom Products, Hearables & Wearables |
| Security Systems | CCTV camera and digital video recorders (DVRs) |



## Financial overview

| Particulars | FY 23-24 | FY 22-23 |
|---|---|---|
| Total Income (In Crore) | 17,713 | 12,198 |
| EBITDA (In Crores) | 720 | 518 |
| PAT (In Crores) | 375 | 255 |
| Net Debt Equity Ratio* | (0.03) | (0.05) |
| Interest Coverage Ratio ** | 7.5 | 6.6 |
| Current Ratio*** | 1.0 | 1.1 |
| Debtor Turnover Days # | 45 | 48 |
| Inventory Turnover Days## | 29 | 27 |
| Operating Profit Margin### | 3.9% | 4.2% |
| Net Profit Margin^ | 2.1% | 2.1% |
| Return on Net Worth^^ | 25.2% | 22.4% |

* (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/income from operations X 365 days

### Operating Profit/ income from operation

^ PAT/Income from operation

^^ Net Profit/ Average Shareholder Fund

## ODM (In percentage) share in revenue

| Years | Consumer electronics | Lighting products | Home appliances |
|---|---|---|---|
| FY 2024 | 34% | 92% | 100% |
| FY 2023 | 23% | 90% | 100% |
| FY 2022 | 4% | 91% | 100% |
| FY 2021 | 5% | 90% | 100% |
| FY 2020 | 6% | 87% | 100% |

## Research and development

Dixon R&D focuses on developing the electronics hardware design, component engineering and optics design. It also offers design refinement and verification to its customers. The R&D centre in Noida is equipped with the cutting edge technology. To further enhance our R&D capabilities in Consumer Electronics vertical, a state-of-the-art R&D center for display devices has also been set up in Noida for superior product developments in televisions and in IFPDs as well as Digital signages. The Company's R&D team is tasked with developing procedures, measures and solutions to increase the production efficiency of products. Improving efficiency is a continuous process that if carried out in an efficient manner aids in cost savings.

## Risk management

For Risk management, kindly refer to Risk Management segment of the Integrated report.

## Internal control system

The Company maintains a robust internal control system tailored to its operational scale, ensuring effectiveness and reliability. It strictly adheres to local statutory requirements to ensure orderly and efficient business conduct, safeguarding assets, detecting and preventing frauds and errors and maintaining the adequacy and completeness of accounting records. The timely preparation of reliable financial information is a priority. The efficacy of these internal checks and control systems is verified through internal audits and assessments conducted by statutory auditors.

## Human resource

The Company places utmost importance on its people, recognising them as its most valuable asset. With a policy aimed at assembling exceptional talent into strong teams, the Company continually strives to enhance its capabilities in acquiring and retaining the necessary talent to support a diverse range of products across various regions. Embracing a meritocratic, open, and transparent culture, the Company fosters a conducive work environment for its employees, promoting collaboration and growth. Some of the key aspects of the Human Resource in the Company are as under:

A) Enhanced Employee Engagement

B) High Performance Culture

C) Friendly Work Environment

D) Industrial Relations

E) Diversity and Inclusions

F) Continuous Learning & Development

G) Employee Health and Safety

For more information kindly refer the Human Resources segment of the Integrated Report.

## Outlook

For outlook kindly refer to the Director's Report. Corporate Overview Statutory Reports Financial Statements.

## Cautionary statement

The Management Discussion and Analysis (MDA) section may include forward-looking statements regarding future prospects. These statements entail various known and unknown risks and uncertainties, which could result in material differences between actual results and the forward-looking statements. Moreover, unforeseen events such as the emergence of a global pandemic like COVID-19 can introduce additional risks to the Company and its operating environment, which are unpredictable and continuously evolving. The estimates and figures presented in the report are based on certain assumptions made by the Company, considering both internal and external information currently available. However, these assumptions are subject to change over time due to shifting underlying factors, potentially leading to adjustments in the estimates. It is important to note that forward-looking statements reflect the Company's current intentions, beliefs, or expectations only as of the date of their issuance. The Company is not obligated to revise or update any forward-looking statements in response to new information, future events, or other factors.

# Corporate Governance Report

Pursuant to Regulation 34(3) read with Section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, a Report on Corporate Governance for the financial year ended 31st March 2024, is presented below.

## Company's Philosophy on Code of Governance

Your Company's Corporate Governance framework is all about maintaining valuable relationship and trust with all stakeholders. We ensure that timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements, leadership and governance of the Company are shared with all the stakeholders. It encourages cooperation between the Company and the stakeholders for better participation in the Corporate Governance processes.

Your Company continues to believe that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders.

The Company's governance framework comprises of the following that aims to improve the governance and prevent deviations.

**Philosophy**

**(Defines best governance practices)**

**Directives**

**(Well defined policies/ codes which helps in effective conduct of business)**

**Structure**

**(Governance structure for implementation of policies)**

**Systems and evaluation**

**(SOPs and practices for control, monitoring and reporting of compliances)**

The Company's governance structure is a broad framework, comprising of Human capital, Management team, Board of Directors and shareholders at its core.

Your Company has complied with the governance requirements of 'SEBI Listing Regulations' and hereby presents the Corporate Governance Report for the financial year ended 31st March, 2024.

This Corporate Governance Report outlines the key aspects of the Company's governance framework and governance practices which are consistent with the SEBI Listing Regulations and other rules and regulations. Details of the key policies and practices are available on the Company's website at www.dixoninfo.com.

## Board of Directors

The Board is responsible for ensuring that the Company is managed in a well-balanced manner that fulfils stakeholders' aspirations, attains sustainable growth, and adopts best corporate governance practices. The Board is further supported by Board Committee(s) who diligently and effectively discharge duties assigned by the Board. The Board evaluates and approves the governance directives, systems and processes and provides direction and goals to the Management Team to achieve good Corporate Governance. The Company's Board of Directors **("Board")** shapes the long-term vision and policy approach to steadily elevate the quality of governance in the Company. The objective of the Company is to emerge as a market leader in Electronic Manufacturing Industry on a global map with focus on creating greater value for all those who have a stake in the Company.

**Composition and Category of Board of Directors as on 31st March, 2024**

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 **"Act"**) and the SEBI Listing Regulations, your Company's Board has an optimum combination of experienced Executive and Non-Executive Directors with more than 2/3 of the Board comprising Independent Directors. The Chairman of the Board is an Executive Director and a Promoter of the Company.

## SIZE AND COMPOSITION OF BOARD

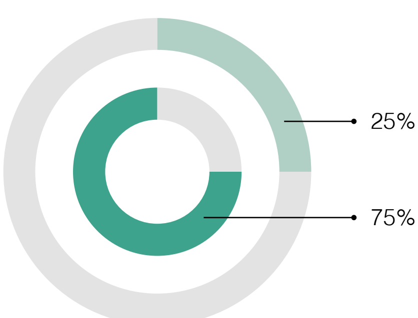
The Board of your Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with 75% of the Board members comprising Independent Directors including One Independent Woman Director. The Board composition is in conformity with the applicable provisions of the Act, SEBI Listing Regulations as amended from time to time and other applicable statutory provisions.

**As on 31st March, 2024, the Board consists of the following:**

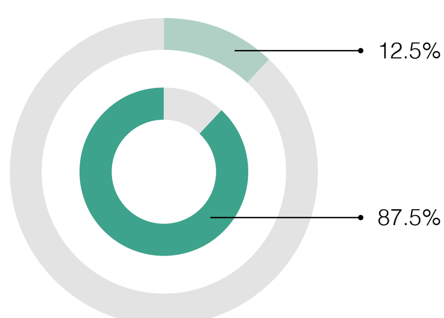
| Category | Name of Director | Age (as on 31st March, 2024) | % of Total Board Size |
|---|---|---|---|
| Promoter and Executive Director | Mr. Sunil Vachani | 55 years 4 months | 12.5% |
| Vice Chairman & Managing Director | Mr. Atul B. Lall | 62 years 2 months | 12.5% |
| Independent Director(s)/ Non-Executive Director(s) | Dr. Manuji Zarabi | 76 years 7 months | 75% |
| | Mr. Manoj Maheshwari | 58 years 2 months | |
| | Dr. Rakesh Mohan | 76 years 2 months | |
| | Ms. Poornima Shenoy | 59 years 2 months | |
| | Mr. Keng Tsung Kuo | 65 years 3 months | |
| | Mr. Arun Seth | 72 years 4 months | |

### Percentage of Directors basis category and diversity

- Executive Directors / **25%**
- Independent Directors / **75%**




- Female / **12.5%**
- Male / **87.5%**




The detailed profile of the Board of Directors is available on the Company's website at https://www.dixoninfo.com/board-members.php

Your Company does not have any lead independent director considering the fact that each of the Independent Directors on the Board are highly experienced and distinguished in their own area of expertise/field. Each independent director is an advocate of strong governance culture. Also, during the period under review, none of the Directors including Independent Directors resigned from the Board of your Company.

### Attendance of Directors at Board Meeting(s) as on 31st March, 2024

During the period under review, 6 (six) Board meetings were held on 10th May, 2023, 23rd May, 2023, 25th July, 2023, 26th October, 2023, 31st January, 2024 and 11th March, 2024 as against the minimum requirement of four meetings in a year. The maximum time gap between any two consecutive meetings did not exceed 120 days. The agenda for each Board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document relevant to an agenda item, the same is tabled at the meeting.

Further, the minimum information required, as per Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings.

The following table shows attendance of directors at Board meetings, attendance at last annual general meeting, number of shares held in the Company and number of other directorships, chairmanships / memberships of Board committees in various other companies as on 31st March, 2024:-

| Name of Director | No. of Board Meeting attended during the Financial year | Attendance at last Annual General Meeting i.e. 29th September, 2023 | 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^ | |
|---|---|---|---|---|---|---|---|
| | | | | | | Chairp-erson | Member |
| Mr. Sunil Vachani | 6 | Present | 37,11,411; 6.20% | 6 | Dixon Technologies (India) Limited- Executive Chairman & Whole time Director | Nil | Nil |
| Mr. Atul B. Lall | 6 | Present | 20,95,585; 3.5% | 9 | a. Dixon Technologies (India) Limited- Vice Chairman & Managing Director<br>b. Happy Forgings Limited- Independent Director*<br>c. Max Estates Limited (Additional Director)@ | Nil | Nil |
| Dr. Manuji Zarabi | 6 | Present | Nil | 2 | Dixon Technologies (India) Limited- Independent Director | Nil | Nil |
| Ms. Poornima Shenoy | 2 | Absent | 100; Negligible % | 3 | Dixon Technologies (India) Limited- Independent Director | Nil | 1 |
| Mr. Manoj Maheshwari | 6 | Present | Nil | Nil | Dixon Technologies (India) Limited- Independent Director | Nil | Nil |
| Mr. Keng Tsung Kuo | 6 | Present | Nil | 2 | Dixon Technologies (India) Limited- Independent Director | Nil | Nil |
| Dr. Rakesh Mohan | 5 | Absent | Nil | 2 | Dixon Technologies (India) Limited- Independent Director | Nil | Nil |
| Mr. Arun Seth** | 3 | Absent | 80; Negligible % | 16 | a. Dixon Technologies (India) Limited- Independent Director<br>b. Jubilant Pharmova Limited- Independent Director<br>c. Jubilant Ingrevia Limited- Independent Director<br>d. Cyber Media Research & Services Limited- Independent Director | 0 | 7 |

^In accordance with Regulation 26 of SEBI Listing Regulations, chairmanship/committee membership of Audit Committee and Stakeholders Relationship Committee of other public limited companies only has been considered.

# Directorships/partnerships positions held in non-profit organisations and partnerships firms are not considered.

** Mr. Arun Seth was appointed as Non-Executive Independent Director of the Company on 29th September, 2023.

@ Appointed with effect from 27th March, 2024 as Additional Director in the capacity of Non-Executive and Non-Independent Director

* Appointed as Independent Director with effect from 31st July, 2023

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 including any change therein. 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 Regulation 26 of the SEBI Listing Regulations, none of the Directors of your Company are members of more than ten Board level committees in public companies nor are they Chairman of more than five committees across all listed companies where they are Directors.

### Inter-se Relationship among Directors

None of the Directors are related with other Directors of the Company.

### Director's selection, appointment and tenure

The Directors of your Company are appointed/re- appointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the Shareholders at the General Meeting(s). In accordance with the Articles of Association of your Company and provisions of the Act, all the Directors, except the Independent Directors are liable to retire by rotation at the Annual General Meeting ("AGM") each year and, if eligible, offer their candidature for re-appointment. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with your Company.

As regards the appointment and tenure of Independent Directors, your Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and SEBI Listing Regulations. None of the Independent Director(s) of your Company resigned during the year before the expiry of their tenure.

As per the Company's policy, any person who becomes Director or Key Managerial Personnel would be covered under the Directors' and Officers' Liability Insurance Policy. Your Company has provided insurance cover in respect of legal action against its Directors and Key Managerial Personnel under the Directors' and Officers' Liability Insurance.

### Independent Directors

Your Company has a policy on Independent Directors, covering their roles, responsibilities and duties. The same is consistent with the provisions of SEBI Listing Regulations and the Act. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment which can be accessed at https://dixoninfo.com/json/dixon/codes-policy/Terms%20of%20appointment%20of%20Independent%20Directors%20-%2031.05.2021.pdf

The Independent Directors of your company fulfil the criteria of Independence as specified in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149 of the Act and rules made thereunder and they are independent of the Management of the Board.

None of the Independent Directors serve as Independent Director in more than 7 listed entities and in case of whole-time director in any listed entity, they do not serve as Independent Director in more than 3 listed entities.

### Independent Directors Databank Registration

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all Independent directors of the Company have completed the registration with the Independent Directors Databank. Requisite confirmations have been received from the Independent Directors in this regard.

### Independent Directors Meeting

Pursuant to Section 149(8) read together with Schedule IV of the Act and Regulation 25(3) and 25(4) of SEBI Listing Regulations, a separate meeting of Independent Directors was held on 31st January, 2024 to review the performance of the Non-Independent Directors including the Chairman of the Board and performance of the Board as a whole. All Independent Directors of your Company except Ms. Poornima Shenoy and Dr. Rakesh Mohan were present at the said Meeting.

### Directors' Induction and Familiarization Programmes

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with your Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of your Company and business strategy.

Details of Familiarization programme imparted to Independent Directors wherein the Board of Directors were apprised about the functions, operations and financial positions/projections of the Company is available at the following weblink: https://dixoninfo.com/json/dixon/codes-policy/Familiarization%20Programme%20For%20Independent%20Directors.pdf. Also, the Corporate Affairs Department of your Company have rolled out "Directors' Handbook" with an aim to familiarize the new Director(s) of your Company with the Business and functions of your Company. The said Handbook comprehensively covers Directors' role, responsibilities, duties and liabilities amongst others. This Handbook has been designed with an aim to help the Directors to attain and maintain a high standard of governance.

## Chart or Matrix setting out skills / expertise/competence of the Board of Directors

The Board of your Company comprises of such individuals who bring in requisite skills, qualification, expertise and competence which is required on the Board and on Committees.

### Mr. Sunil Vachani

Whole Time Director & Executive Chairman

| | |
|---|---|
| **Qualification** | Associate of Applied Arts in Business Administrations |
| **Experience** | Over 3 decades experience in the EMS industry |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Policy development
- Identification of Risk
- Government relations
- Marketing and Communication
- Business Experience
- Technology/ Digital skills/ R & D
- Experience in Electronic Industry
- Identification of Challenges and providing solutions

### Mr. Manoj Maheshwari

Non-Executive & Independent Director

| | |
|---|---|
| **Qualification** | CA,CS, Post Graduate Diploma in Business Administration |
| **Experience** | More than 3 decades of experience in finance functions encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fund raising as debt and equity. |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Application of Corporate Governance Principles
- Identification of Risk
- Qualification and experience in accounting and/or Finance
- Identification of Challenges and providing solutions

### Mr. Atul B. Lall

Vice Chairman & Managing Director

| | |
|---|---|
| **Qualification** | Master's Degree in Management Studies from the Birla Institute of Technology and Science, Pilani |
| **Experience** | More than three decades of experience in the EMS industry |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Policy development
- Identification of Risk
- Application of Corporate Governance Principles
- 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 more than 3 decades of experience in the field of electronics and retired as Chairman cum Managing Director of Semi-Conductor Complex Ltd, a Government of India Enterprise in August 2005. He was also a member of the working group on development of R&D and IP in electronics formed at Deity. |

**Area of Skill/ expertise/Competence**

- Government relations
- Technology/ Digital skills/ R & D
- Experience in Electronic Industry

## Ms. Poornima Shenoy

Non-Executive & Independent Director

| | |
|---|---|
| **Qualification** | a) BA from Bangalore University and MBA from TAPMI, Manipal<br>b) British Chevening Scholar for Women in Leadership and Management from the University of Bradford and<br>c) Management Development Program at the University of Michigan at Ann Arbor. |
| **Experience** | Serial entrepreneur and an industry veteran and has 37 years of experience . |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Application of Corporate Governance Principles
- Business Experience
- Marketing and Communication

## Mr. Keng Tsung Kuo

Non-Executive & Independent Director

| | |
|---|---|
| **Qualification** | a) Master of Electrical Engineering from National Taiwan University<br>b) Executive MBA from National Taiwan University |
| **Experience** | More than 3 decades of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management. |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Policy development
- Identification of Risk
- 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 (Engineering) from Imperial College of Science & Technology, University of London<br>b) B.A. from Yale University<br>c) MA and Ph.D. in economics from Princeton University |
| **Experience** | More than Five decades of rich and considerable experience in economic research, economic policy, public finance central banking, monetary policy, infrastructure and urban affairs |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Policy development
- Identification of Risk
- Government relations
- Application of Corporate Governance Principles
- Qualification and experience in accounting and/or Finance
- Identification of Challenges and providing solutions

## Mr. Arun Seth

Non-Executive & Independent Director

| | |
|---|---|
| **Qualification** | a) Alumnus of IIT Kanpur and IIM Calcutta |
| **Experience** | More than 45 years of experience in senior commercial positions in BT, Alcatel, HCL. Started as the founding MD of British Telecom in India in 1995 and built it to its current leadership position in managed telecom services and outsourced IT and back office operations. |

**Area of Skill/ expertise/Competence**

- Strategy and Planning
- Risk Management
- Application of Corporate Governance Principles
- Qualification and experience in accounting and/or Finance
- Identification of Challenges and providing solutions
- Information Technology Skills
- Entrepreneurial skills

The skill areas in the matrix is be reviewed timely by the Board to ensure that the composition of skills on the Board remains aligned with Company's stage of development and strategic direction.

## Committees of the Board

The Board Committees play a crucial role in the governance structure of your Company and have been constituted to deal with specific areas / activities which concern your Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

As on 31st March, 2024, the Board has constituted the following Committees:

| Statutory Committees | Governance Committees |
|---|---|
| Audit Committee | ESG Committee |
| CSR Committee | R&D Committee |
| Stakeholders Relationship Committee | |
| Nomination & Remuneration Committee | |
| Risk Management Committee | |

Other Committees includes Share Allotment Committee and Executive Committee

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. The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of your Company

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.

All members of the Audit Committee have accounting and financial management knowledge and expertise/exposure. The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditors as invitees. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Chairman of the Audit Committee attended the last AGM held on 29th September, 2023 to address shareholders' queries.

#### 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 are also invited to attend Audit Committee meetings for discussion as and when required.

During the financial year 2023-24, 5 (Five) meetings of the Audit Committee were held i.e. on 23rd May, 2023, 25th July, 2023, 26th October, 2023, 31st January, 2024 and 29th March, 2024. 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, 2024:

| Name of Director | Position in the Committee | Designation | Audit Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Mr. Manoj Maheshwari | Chairman | Independent Director | 5 | 5 | 100% |
| Ms. Poornima Shenoy | Member | Independent Director | 5 | 3 | 60% |
| Dr. Manuji Zarabi | Member | Independent Director | 5 | 5 | 100% |
| **Average Attendance (%)** | | | | | **87%** |

The Company Secretary of your Company acts as the Secretary to the Audit Committee. The Intervening gap between two meetings did not exceeded 120 days.

### 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 not present at the last Annual General Meeting of the Company held on 29th September, 2023.

### 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 2023-24, 4 (Four) meetings of the NRC were held i.e. on 23rd May, 2023, 25th July, 2023, 26th October, 2023, 29th January, 2024. 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, 2024:

| Name of Director | Position in the Committee | Designation | Nomination and Remuneration Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Ms. Poornima Shenoy | Chairperson | Independent Director | 4 | 3 | 75% |
| Mr. Manoj Maheshwari | Member | Independent Director | 4 | 4 | 100% |
| Dr. Manuji Zarabi | Member | Independent Director | 4 | 4 | 100% |
| Mr. Sunil Vachani | Member | Executive Chairman | 4 | 4 | 100% |
| **Average Attendance (%)** | | | | | **93.75%** |

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 Independent Director 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 & Managing Director 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 circulated through an online tool by an independent agency. All the directors participated in the evaluation process. The responses received from the Board members were compiled by an independent agency and a consolidated report was submitted by the agency to the Board through the Company Secretary.

The evaluation report was also discussed at the meeting of the Board of Directors. The Board deliberated over the suggestions and inputs to augment its own effectiveness and optimise the individual strengths of the directors. The directors were satisfied with the Company's standard of governance, its transparency, meeting practices and overall Board effectiveness.

The suggestions given by the Independent Directors were duly incorporated.

### Succession Planning

The NRC had reviewed the succession planning of top leadership positions in the Company. While undertaking said review, the leadership competencies required for orderly succession planning was considered by the NRC.

## C Stakeholders' Relationship Committee:

The Board has constituted Stakeholder's Relationship Committee pursuant to Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations to look into the redressal of grievances of shareholders and other security holders, if any. The Committee overseas the resolution of grievances of the security holders of your Company including complaints related to transfer of shares, non-receipt of annual report or non- receipt of declared dividends. The Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting of the Company held on 29th September, 2023 to address the queries of the shareholders.

### Composition, Meetings and Attendance during the Year

The Composition of the Stakeholder Relationship Committee is in line with the requirements of section 178 of the Act and the SEBI Listing Regulations. During the financial year under review, 4 (four) meetings of the Stakeholder's Relationship Committee were held i.e. on 23rd May, 2023, 25th July, 2023, 26th October, 2023 and 31st January, 2024. 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, 2024:

| Name of Director | Position in the Committee | Designation | Stakeholders' Relationship Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Dr. Manuji Zarabi | Chairman | Independent Director | 4 | 4 | 100% |
| Mr. Sunil Vachani | Member | Executive Chairman | 4 | 4 | 100% |
| Mr. Atul B.Lall | Member | Vice Chairman & Managing Director | 4 | 4 | 100% |
| **Average Attendance (%)** | | | | | **100%** |

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 2023-24

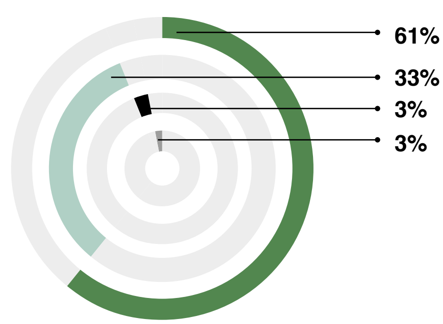
The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

| Particulars | Number of Complaints |
|---|---|
| Investor queries/complaints pending at the beginning of the Year -1st April, 2023 | 0 |
| Investor queries/complaints received during the Year | 33 |
| Investor queries/complaints disposed of during the Year | 33 |
| Investor queries/complaints remaining unresolved at the end of Year - 31st March, 2024 | 0 |

All the Investor's complaints were resolved to their satisfaction.

**The bifurcation of the investor complaints received by the Company is as under:**

- Non-Receipt of Dividend Warrants **/ 61%**
- Non-Receipt of Annual Reports **/ 33%**
- Requests from SEBI/Stock Exchanges **/ 3%**
- Other Complaints **/ 3%**




The total no. of Shareholders as on 31st March, 2024 stood at 2,52,843 as compared to 3,67,727 as of 31st March, 2023.

Also, the Company as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 (in supersession of earlier SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021) has requested the shareholders holding shares in physical mode to furnish PAN, KYC details and linking of PAN and Aadhar. The said intimation has also been uploaded on the Company's website. Further, SEBI had vide its circular no. SEBI/HO/OIAE/2023/03391 dated 27th January, 2023 advised all the listed entities to issue an intimation letter either by email or by SMS's to all the investors who holds the shares in physical form, creating awareness amongst the investors about the availability of Dispute resolution mechanism at the stock exchanges against the listed entities/RTA. The Company has already circulated such intimation letter to all the shareholders of the Company holding shares in physical form complying with the aforesaid provisions of the circular and action taken report has been submitted to SEBI citing compliance of the provisions of the Circular on 27th February, 2023.

#### Details of the Compliance officer of your Company:

Name: Mr. Ashish Kumar
Designation: Chief Legal Counsel & Group Company Secretary
E-mail id: investorrelations@dixoninfo.com

## D Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in accordance with the requirements of the Act. The Committee recommends the Corporate Social Responsibility projects to be undertaken by the Company and also monitors its implementation status. The Company also has a Corporate Social Responsibility Policy which is available on the website of the Company at https://www.dixoninfo.com/json/dixon/codes-policy/Corporate-Social-Responsibility-Policy.pdf

#### Composition, Meetings and Attendance during the Year

The Corporate Social Responsibility Committee has been constituted as per the provisions of the Act. During the Financial Year under review, 4 (Four) meetings of the Committee were held i.e. on 23rd May, 2023, 25th July, 2023, 26th October, 2023 and 31st January, 2024. 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, 2024:

| Name of Director | Position in the Committee | Designation | Corporate Social Responsibility Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Mr. Sunil Vachani | Chairman | Executive Chairman | 4 | 4 | 100% |
| Dr. Manuji Zarabi | Member | Independent Director | 4 | 4 | 100% |
| Mr. Atul B. Lall | Member | Vice Chairman & Managing Director | 4 | 4 | 100% |
| **Average Attendance (%)** | | | | | **100%** |

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

#### Brief description of terms of reference

Terms of Reference of Corporate Social Responsibility Committee, inter alia, include the following:

(a) Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;

(b) Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;

(c) Monitoring the corporate social responsibility policy by instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company from time to time;

(d) Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions.

## E Risk Management Committee

The Risk Management Committee comprises of 3 Directors as members, with majority being Independent Directors. The Risk Management Committee has been constituted in accordance with the requirements of the Act. The Committee hereby helps to identify elements of Risk in different areas of operations and to develop plans to mitigate the risks.

#### Composition, Meetings and Attendance during the Year

Composition of the Committee is in line with the requirements of Regulation 21 of SEBI Listing Regulations. During the financial year under review, 2 (Two) meetings of the Risk Management Committee were held i.e. on 7th July, 2023 and 27th December, 2023.

Details of the Risk Management Committee Meetings held during the year ended 31st March 2024 are as under :

| Name of Director | Position in the Committee | Designation | Risk Management Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Mr. Atul B. Lall | Chairman | Vice Chairman & Managing Director | 2 | 2 | 100% |
| Mr. Manoj Maheshwari | Member | Independent Director | 2 | 2 | 100% |
| Mr. Keng Tsung Kuo | Member | Independent Director | 2 | 2 | 100% |
| **Average Attendance (%)** | | | | | **100%** |

The Risk Management Policy of the Company was adequately revised keeping into consideration the amendments in the SEBI Listing Regulations.

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

### Brief description of Terms of Reference

i. To ensure systemic risk evaluation, categorization, and prioritization thereof.

ii. To assign relative importance to identified risks and determine where appropriate management attention is required.

iii. To apply an organized, thorough approach, to effectively anticipate and mitigate the probable or realistic risks.

iv. To practice the highest level of control measures by installing mechanisms and tools, with involvement of all process-owners across the organization.

v. To develop alternative/ recommended courses of action for critical risks and control the probability of occurrence of the risk, keeping ready contingency plans for selected risks where the consequences of the risks are determined to be high.

vi. To review the activities, status and results of the risk management process with appropriate levels of management and resolve issues which are gauging potential risk exposure and addressing the same with appropriate corrective action.

vii. To obtain ,wherever required or desirable, the advice, opinion and assistance from outside legal, accounting, or other advisors, as necessary, to aid informed decision making.

viii. Carry out such responsibilities as assigned by the Board.

ix. Monitor and Review Risk Management Plan as approved by the Board.

x. Ensure that appropriate system of risk management is in place.

xi. Framing of Risk Management Plan and Policy

xii. Overseeing implementation of Risk Management Plan and Policy

xiii. Delegating authority to the sub committees as and when required

xiv. Coordinating activities with the Audit Committee in instances where there is any overlap with audit activities

xv. The Risk Management Committee shall evaluate significant risk exposures related to cyber security and assess management's actions to mitigate the exposures in a timely manner.

xvi. The Risk Management Committee shall recommend reports to the Board at such intervals as may be deemed appropriate by the Committee.

xvii. The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

## F. Executive Committee

The Board has constituted the Executive Committee which undertakes matters related to day to day affairs of your Company.

Details of composition of Executive Committee as on 31st March, 2024 are as under:

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

During the year under review, 7 (Seven) meetings of the Executive Committee were held i.e. on 23rd May, 2023, 25th July, 2023, 5th September, 2023, 3rd November, 2023, 20th November, 2023, 31st January, 2024 and 29th February, 2024. The details of the Executive Committee Meetings held during the financial year ended 31st March 2024 are as under.

| Name of Director | Position in the Committee | Designation | Executive Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Mr. Sunil Vachani | Member | Executive Chairman | 7 | 7 | 100% |
| Mr. Atul B. Lall | Member | Vice Chairman & Managing Director | 7 | 7 | 100% |
| **Average Attendance (%)** | | | | | **100%** |

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

## G Share Allotment Committee

The Board had constituted the Share Allotment Committee on 31st October, 2018. The said Committee is authorized for allotment of shares, in one or more tranches, to the employees of the Company pursuant to exercise of the options vested with them in accordance with the DIXON ESOP Schemes. During the year under review, 4 (Four) meetings of the Share Allotment Committee were held i.e. on 13th September, 2023, 7th November, 2023, 7th December, 2023 and 20th February, 2024 .

Details of Share Allotment Committee Meetings held during the financial year ended as on 31st March, 2024:

| Name of Director | Position in the Committee | Designation | Share Allotment Committee Meetings entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Mr. Sunil Vachani | Member | Executive Chairman | 4 | 3 | 75% |
| Dr. Manuji Zarabi | Member | Independent Director | 4 | 4 | 100% |
| Mr. Atul B. Lall | Member | Vice Chairman & Managing Director | 4 | 4 | 100% |
| Mr. Manoj Maheshwari | Member | Independent Director | 4 | 4 | 100% |
| **Average Attendance (%)** | | | | | **93.75%** |

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

## H Environment, Social and Governance Committee ("ESG Committee")

The Board had constituted the ESG Committee on 25th July, 2023. The said Committee is authorized for overseeing the environmental, social and governance aspects applicable on the Company. During the year under review, 1 (One) meeting of the ESG Committee was held i.e. on 29th January, 2024.

Details of ESG Committee Meetings held during the financial year ended as on 31st March, 2024:

| Name of Director | Position in the Committee | Designation | ESG Committee Meeting entitled to attend | Meetings Attended | % of attendance |
|---|---|---|---|---|---|
| Mr. Atul B. Lall | Chairman | Vice Chairman and Managing Director | 1 | 1 | 100% |
| Dr. Manuji Zarabi | Member | Independent Director | 1 | 1 | 100% |
| Mr. Manoj Maheshwari | Member | Independent Director | 1 | 1 | 100% |
| **Average Attendance (%)** | | | | | **100%** |

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

## I Research and Development Committee

The Board at its meeting held on 30th October, 2020, approved the constitution of Research and Development Committee to provide for more focus on innovative, design oriented and technology-backed solutions to leading domestic and international brands resting on the Company's manufacturing capabilities.

### Composition, Meetings and Attendance during the Year

The Research and Development Committee comprises of Dr. Manuji Zarabi, Independent Director who is the Chairman of the said Committee and Mr. Atul B. Lall, Vice Chairman & Managing Director as a member.

No meeting of the Research and Development Committee was held during the year.

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

### Remuneration of Directors

#### Remuneration Policy

Your Company has formulated a Remuneration policy for Directors/ KMPs and other Employees of the Company. Your Company's philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. The Policy is aligned to this philosophy. The Company has adopted a comprehensive approach to remuneration in order to support a superior quality of personal and work life, combining both cash and non-cash components / benefits in a manner which judiciously balances short term and long term priorities.

The policy can be accessed at the following Link: https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy-1908.pdf. The elements of remuneration package of Executive Directors includes fixed and variable salary, commission, contribution to provident fund, perquisites and allowances, reimbursement of expenses etc. Independent Directors are paid remuneration in the form of sitting fee and one time Commission as approved by the Board and Shareholders of the Company.

### Remuneration to Non-Executive and Independent Directors

Remuneration to Non-Executive and Independent Directors for the financial year 2023-24 are as under:

(₹ in Lakhs)

| NAME OF THE NON-EXECUTIVE DIRECTOR | SITTING FEE | COMMISSION | TOTAL |
|---|---:|---:|---:|
| Dr. Manuji Zarabi | 5 | 12 | 17 |
| Ms. Poornima Shenoy | 2 | 12 | 14 |
| Mr. Manoj Maheshwari | 5 | 12 | 17 |
| Mr. Keng Tsung Kuo | 3 | 12 | 15 |
| Dr. Rakesh Mohan | 3 | 12 | 15 |
| Mr. Arun Seth | 1 | 0 | 1 |
| **Total** | **19** | **60** | **79** |

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 2023-24 other than the remuneration as detailed above.

### Remuneration to Executive Directors

The Shareholders at the 28th Annual General Meeting of the Company held on 28th September, 2021 re-appointed Mr. Sunil Vachani as Whole-time Director and Mr. Atul B. Lall as Whole-Time Director and Managing Director for a term of 5 years i.e. until 4th May, 2027.

The details of remuneration paid to each of the Directors during the year ended 31st March, 2024 are given below:

Details of Remuneration of Directors:

₹ In Lakhs

| Name of Director | Fixed Salary | | | | Bonus / Performance Linked Incentive | Sitting Fee | Commission | Perquisite value of Stock Options | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Basic Salary and allowances | Perquisites | Others | Total Fixed Salary | | | | | |
| Mr. Sunil Vachani | 340 | 0 | 0 | 340 | 0 | 0 | 520 | 0 | 860 |
| Mr. Atul B. Lall | 326 | 0 | 0 | 326 | 0 | 0 | 520 | 1,436 | 2,282 |

**Notes:**

(1) The amount of Commission is calculated on the profits of Financial Year ended 31st March, 2024 as per the Financial Statements thereto and the same shall be paid during the Financial Year ending 31st March, 2025.

(2) The Commission calculated on the profits of Financial Year ended 31st March, 2023 as per the Financial Statements thereto was paid by the Company during the Financial Year ended 31st March, 2024 which was ₹ 594 Lakhs and ₹ 594 Lakhs for Mr. Sunil Vachani and Mr. Atul B Lall, respectively.

(3) For details pertaining to ESOP granted during the year, please refer Annexure – I forming part of Director's Report.

### Service Contracts, Notice Period, Severance Fee

Your Company does not enter into service contracts with the Executive Directors as they are appointed/re-appointed with the approval of the shareholders for the period permissible under the applicable provisions of the Act, and/or SEBI Listing Regulations. Independent directors have been issued an appointment letter which prescribes that any Independent Director may resign from his office subject to reasonable written notice to the Board. The Company does not pay any severance fees or any such payment to the Directors.

## General Body Meetings

### Annual General Meetings

The date, time, location of Annual General Meetings held during last three years and the special resolutions passed there at are as follows:

Details of Annual General Meetings

| Financial Year | Date and Time | Venue | Special Resolution Passed |
|---|---|---|---|
| 2020-21 | 28th September, 2021 at 11.00 A.M. | Held through Video Conferencing pursuant to General Circular Nos.14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 39/2020 dated 31st December 2020 and 02/2021 dated January 13, 2021, issued by the MCA **("MCA Circulars")** and Circular No. SEBI/HO/ CFD/CMD1/ CIR/P/2020/79 dated 12th May 2020, Circular No. SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India | a. Appointment of Dr. Rakesh Mohan as a Non-Executive and Independent Director of the Company<br>b. Re-appointment of Mr. Atul B. Lall as Managing Director of the Company<br>c. Increase in the limit of managerial remuneration payable to Mr. Atul B. Lall<br>d. To approve raising of funds in one or more tranches, by issuance of securities by way of private offerings, qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹ 500 Crores |

| Financial Year | Date and Time | Venue | Special Resolution Passed |
|---|---|---|---|
| 2021-22 | 23rd August 2022 at 03.00 P.M | Held through Video Conferencing pursuant to General Circular no. 20/2020 dated 5th May, 2020, 02/2021 dated January 13, 2021, 19/2021 dated 8th December, 2021,21/2021 dated 14th December, 2021 and 02/2022 dated 5th May, 2022 issued by the MCA **("MCA Circulars")** and Circular No. SEBI/ HO/CFD/ CMD2/CIR/P/2022/62 dated 13th May 2022 issued by the SEBI (**"SEBI Circular"**) and in compliance with the provisions of the Companies Act, 2013 (**"the Act"**) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) | a. Continuation of Office of Dr. Manuji Zarabi (DIN: 00648928) as a Non-Executive Independent Director of the Company beyond the age of 75 years<br>b. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013<br>c. Approval of remuneration payable to Mr. Sunil Vachani (DIN: 00025431), Executive Chairman & Whole time Director of the Company as per Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.<br>d. Grant of stock options to the employees of Associate Companies including Joint Venture Companies, under Dixon Technologies (India) Limited —Employees Stock Option Plan, 2018 ("DIXON ESOP 2018") and Dixon Technologies (India) Limited- Employee Stock Option Plan, 2020 ("DIXON ESOP 2020") |
| 2022-23 | 29th September, 2023 at 11:00 A.M. | Held through Video conferencing pursuant to pursuant to General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 11/2022 dated December 28, 2022 by the MCA (**"MCA Circulars"**) and Circular No. SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May 2022 issued by the SEBI (**"SEBI Circulars"**) and in compliance with the provisions of the Companies Act, 2013 **("the Act")** and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) | a. Re-appointment of Mr. Keng Tsung Kuo (DIN: 03299647) as the Non-Executive and Independent Director of the Company for a second term of five consecutive years.<br>b. Appointment of Mr. Arun Seth (DIN: 00204434) as Non-Executive and Independent Director of the Company and continuation of his office as Non-Executive and Independent Director beyond age of 75 years. |

## POSTAL BALLOT

During FY 2023-24, Two special resolutions were passed through Postal Ballot process, the details whereof including voting pattern are as under:

| S. No. | Description of Special resolution passed | Number of votes polled | Votes cast in favour | | Number of votes against | % | Date of passing of the resolutions |
|---|---|---|---|---|---|---|---|
| | | | Number of votes | % | | | |
| 1 | Approval of Dixon Technologies (India) Limited- Employees Stock Option Plan, 2023 ("DIXON ESOP 2023") | 5,15,10,105 | 4,53,01,986 | 87.95% | 62,08,119 | 12.05% | 3rd December, 2023 |

| S. No. | Description of Special resolution passed | Number of votes polled | Votes cast in favour | | Number of votes against | % | Date of passing of the resolutions |
|---|---|---|---|---|---|---|---|
| | | | Number of votes | % | | | |
| 2 | Grant of Stock Options to the employees of Subsidiary Companies and Associate Companies, including Joint Venture Companies under Dixon Technologies (India) Limited – Employees Stock Option Plan, 2023 ("DIXON ESOP 2023") | 4,77,37,710 | 3,97,77,710 | 83.33% | 79,60,000 | 16.67% | 3rd December, 2023 |

Ms. Shirin Bhatt (C.P. No. 9150) of M/s Shirin Bhatt & Associates, Company Secretaries was appointed as the Scrutinizer to conduct the aforesaid Postal Ballot process in a fair and transparent manner. The Company had provided the facility of voting through electronic means. The procedure of Postal Ballot, as contained in the Postal Ballot Notice, is available on the Company's website at https://www.dixoninfo.com/postal-ballot.php . Further, as on date, no resolution is proposed to be passed through postal ballot.

### Procedure for E-voting

In compliance with the provisions of Sections 108 of the Act, read with applicable rules, your Company provides electronic voting (e-voting) facility to all its members. Your Company engages the services of KFin Technologies Limited for the purpose of providing e-voting facility to all its members. Members can refer e-voting instructions provided in the Notice of Annual General Meeting. Members whose names appear on the register of members as on cut-off date i.e. Wednesday, 18th September, 2024 shall be eligible to participate in the e-voting.

### Participation and voting at 31st Annual General Meeting

Pursuant to the General Circular number 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 and subsequent circulars issued with latest being 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 issued by SEBI, the 31st 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 31st Annual General Meeting.

### Extra-Ordinary General Body Meetings (including adjourned Meetings) during the FY 2023-24

No Extra-ordinary general meeting was held during the FY 2023-24.

## 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 2023-24 are as follows:

| Quarter ended | Date of Board Meeting where Quarterly results were approved | Date of Publishing in Newspaper (English And Hindi) |
|---|---|---|
| 30th June, 2023 | 25th July, 2023 | 26th July 2023 |
| 30th September, 2023 | 26th October, 2023 | 27th October, 2023 |
| 31st December, 2023 | 31st January, 2024 | 1st February, 2024 |
| 31st March, 2024 | 15th May, 2024 | 16th May, 2024 |

### 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 at www.dixoninfo.com.

### Earning Calls and Presentations to Institutional Investors or to the Analysts

Your Company hosts a quarterly conference call post declaration of quarterly/half yearly/annual results of your Company, along with the discussion on the performance of the different business divisions of your Company. This is followed by the question and answer session by the analysts/ investors logged into the conference call. Presentations made, if any, to the Institutional Investors/Analysts are hosted on the website of your Company, along with the Transcripts of the Investor/Analysts Calls/Meets hosted by your Company on the website of the Company at (www.dixoninfo.com) within the prescribed timelines as per Act & SEBI Listing Regulations.

Details of any group scheduled Analysts Meet/Conference Call are intimated to the Stock Exchanges 2 working days in advance. The Company as a part of good corporate governance also intimates the schedule and outcome of one-on-one Analyst Meet/ Call(s) to the stock exchanges on regular basis.

### Announcement of Material events and Information

All the material information, requisite announcements and periodical filings are being submitted by your Company electronically through web portals of NSE and BSE, where the equity shares of your Company are listed.

### Media Releases

All official media releases are submitted to NSE and BSE and also being uploaded on the website of your Company.

### Integrated Annual Report and AGM

Integrated Annual Report containing audited standalone and consolidated financial statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Report and other important information are circulated to the Members.

### Name, Designation and Address of the Compliance Officer:

**Mr. Ashish Kumar**
Chief Legal Counsel & Group Company Secretary
B-14 & 15, Phase-II, Noida
District Gautam Buddha Nagar, Uttar Pradesh-201305
E-mail ID: investorsrelations@dixoninfo.com

### Green Initiative

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Integrated Annual Report to Shareholders at their e-mail address previously registered with the depositories or your Company's Registrar and Share Transfer Agent In line with the SEBI Listing Regulations, your Company has emailed soft copies of its Integrated Annual Report to all those Shareholders who have registered their email address for the said purpose. With reference to MCA and SEBI Circulars, Companies have been dispensed with the printing and dispatch of Annual Reports to Shareholders. Hence, the Annual Report of your Company for the financial year ended 31st March, 2024, would be sent through email to the Shareholders.

## General Shareholder Information

### 31st Annual General Meeting

**Day and Date:** Wednesday, 25th September, 2024
**Time :** 11:00 A.M. (IST)
**Mode :** Video Conferencing/Other Audio Visual Means **("VC/OAVM")**
**E-Voting dates:** From 09:00 A.M. (IST) on 22nd September, 2024 to 05.00 P.M. (IST) on 24th September, 2024

### Financial Year

1st April, 2023 – 31st March, 2024

### Tentative Financial Calendar – for the Financial Year ending 31st March, 2025

Quarterly Results for the Quarters ending 30th June, 2024, 30th September, 2024, 31st December, 2024, 31st March, 2025 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 2024-25 will be tentatively held between April-September, 2025. The Financial Results/statements for the FY 2024-25 will be published in Newspapers along with intimation to Stock Exchanges, BSE and NSE. Additionally, the same will be posted on the website of your Company at www.dixoninfo.com.

### Book Closure

The dates of book closure are from 19th September, 2024 to 25th September, 2024 inclusive of both days.

### Dividend Policy and Dividend details

The Company has adopted Dividend Distribution Policy of your Company in terms of the requirement of SEBI Listing Regulations. The Policy is available on the website of the Company under the weblink: https://dixoninfo.com/json/dixon/codes-policy/Dixon_dividend-distribution-policy.pdf.

Also, the Company remits the payment of Dividend through online transfer and in cases where Bank details are not updated, the Dividend for those shareholders are paid through Demand draft which are immediately dispatched to the respective shareholders. As on 31st March, 2024 an amount of ₹ 1,83,314.33 remains unclaimed by shareholders for the dividend declared during the FY 2017-18 to FY 2022-23.

The dividend of ₹ 5/- per equity share, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid/dispatched within 30 days from the date of ensuing AGM of the Company to all the shareholders of the Company holding shares as on the cut-off date i.e. 18th September, 2024. The details of unpaid dividend along with due dates for transfer to IEPF are available at https://dixoninfo.com/unpaid-unclaimed-dividend-data.php

### Dividend History in Past 7 Years

| Financial Year | Type of Dividend | Face value of Equity Share (₹) | Dividend amount per share (₹) | Dividend % |
|---|---|---|---|---|
| 2017-18 | Final Dividend | 10/- | 2/- | 20% |
| 2018-19 | Final Dividend | 10/- | 2/- | 20% |
| 2019-20 | Interim Dividend | 10/- | 4/- | 40% |
| 2020-21 | Final Dividend | 2/- | 1/- | 50% |
| 2021-22 | Final Dividend | 2/- | 2/- | 100% |
| 2022-23 | Final Dividend | 2/- | 3/- | 150% |
| 2023-24 | Final Dividend (Proposed) | 2/- | 5/- | 250% |

### Transfer to Investor Education & Protection Fund

During the year, your Company was not required to transfer any amount to the Investor Education and Protection Fund.

### Listing Details

At present, the equity shares of your company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the Financial Year 2023-24 to both the stock exchanges has been paid.

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

### Market price data, during each month

(In points)

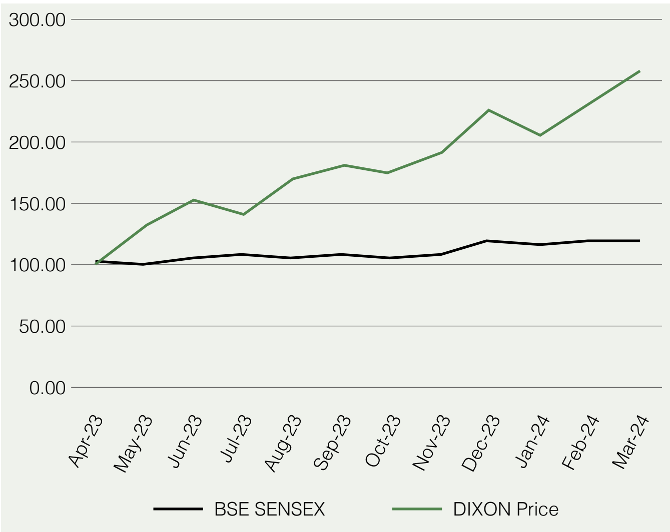
| | BSE Sensex | | NSE Nifty 500 | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April'23 | 61,209.46 | 58,793.08 | 15,235.45 | 14,541.6 |
| May'23 | 63,036.12 | 61,002.17 | 15,823.9 | 15,239.5 |
| June'23 | 64,768.58 | 62,359.14 | 16,437.45 | 15,743.4 |
| July'23 | 67,619.17 | 64,836.16 | 17,072.8 | 16,485.3 |
| August' 23 | 66,658.12 | 64,723.63 | 17,102.1 | 16,661 |
| September'23 | 67,927.23 | 64,818.37 | 17,754.05 | 16,931.5 |
| October'23 | 66,592.16 | 63,092.98 | 17,494.5 | 16,466.25 |
| November'23 | 67,069.89 | 63,550.46 | 18,007.1 | 16,719.1 |
| December'23 | 72,484.34 | 67,149.07 | 19,450.1 | 18,053.15 |
| January'24 | 73,427.59 | 70,001.60 | 19,923.3 | 19,080.5 |
| February'24 | 73,413.93 | 70,809.84 | 20,365.65 | 19,508.75 |
| March'24 | 74,245.17 | 71,674.42 | 20,483.25 | 19,465.85 |

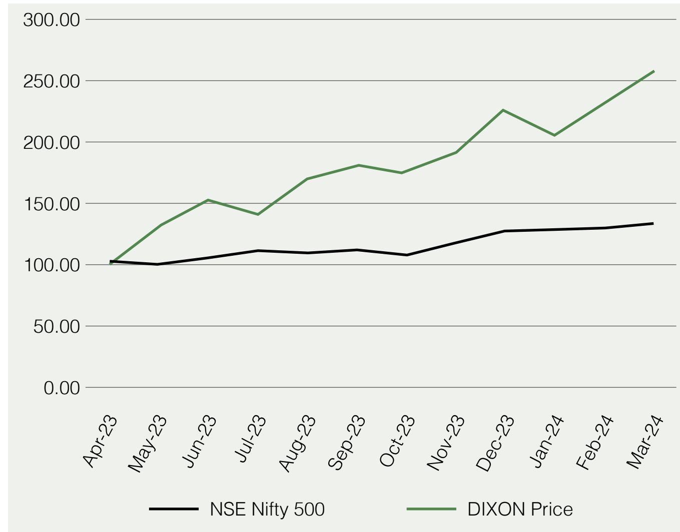
### Market price data, during each month

(In ₹)

| | BSE | | NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April'23 | 3,105.20 | 2,765.70 | 3,110.00 | 2,820.00 |
| May'23 | 3,899.00 | 2,846.50 | 3,900.00 | 2,842.85 |
| June'23 | 4,729.80 | 3,847.70 | 4,730.00 | 3,845.55 |
| July'23 | 4,442.00 | 3,954.10 | 4,443.70 | 3,953.00 |
| August' 23 | 5,067.90 | 4,081.55 | 5,068.90 | 4,065.00 |
| September'23 | 5,379.85 | 4,738.00 | 5,378.85 | 4,733.45 |
| October'23 | 5,607.45 | 5,019.75 | 5,607.10 | 5,028.00 |
| November'23 | 5,588.80 | 5,103.30 | 5,591.50 | 5,100.95 |
| December'23 | 6,764.00 | 5,516.30 | 6,765.00 | 5,514.00 |
| January'24 | 6,600.00 | 5,785.00 | 6,600.00 | 5,782.85 |
| February'24 | 7,045.25 | 6,052.05 | 7,048.00 | 6,051.10 |
| March'24 | 7,563.30 | 6,500.05 | 7,580.00 | 6,503.50 |

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




### Declaration regarding suspension of securities

The securities of your Company have not been suspended during the year.

### Company's Registrar & Transfer Agent during the year:

Your Company's Registrars & Transfer Agents ("RTA") for its share registry (both, physical as well as electronic) is KFin Technologies Limited having its office at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500032, India.

### Distribution of Shareholding by size as on 31st March, 2024

(a) Value wise

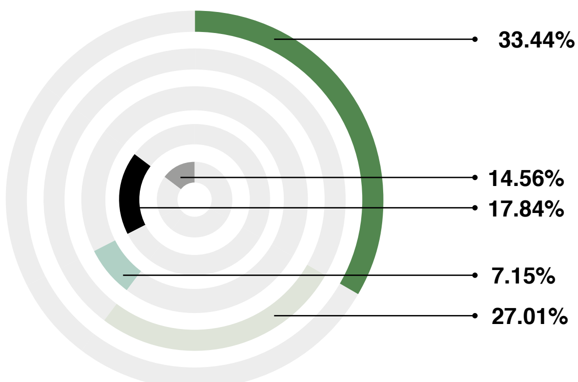
| | Shareholders | | Shareholding | | |
|---|---|---|---|---|---|
| | No. of Cases | % of Cases | Total Shares | Amount | % of Amount |
| Upto 5000 | 2,52,464 | 99.85 | 49,91,051 | 99,82,102 | 8.34 |
| 5001- 10000 | 109 | 0.04 | 3,97,698 | 7,95,396 | 0.66 |
| 10001- 20000 | 64 | 0.03 | 4,70,221 | 9,40,442 | 0.79 |
| 20001- 30000 | 43 | 0.02 | 5,35,411 | 10,70,822 | 0.90 |
| 30001- 40000 | 15 | 0.01 | 2,70,240 | 5,40,480 | 0.45 |
| 40001- 50000 | 16 | 0.01 | 3,59,749 | 7,19,498 | 0.60 |
| 50001- 100000 | 43 | 0.02 | 16,09,049 | 32,18,098 | 2.69 |
| 100001 & Above | 89 | 0.04 | 5,11,88,176 | 10,23,76,352 | 85.57 |
| **Total** | **2,52,843** | **100.00** | **5,98,21,595** | **11,96,43,190** | **100.00** |

(b) Category wise

| S. No. | Category | No. of Shares | Shareholding (%) |
|---|---|---|---|
| A | Promoter & Promoter Group | 2,00,01,860 | 33.44% |
| B | Public Shareholding | | |
| | 1. Mutual Funds/ Domestic Companies/ AIF/ Insurance Companies/NBFCs | 1,61,58,551 | 27.01% |
| | 2. Non-Resident Indians (NRIs) | 42,75,575 | 7.15% |
| | 3. FPIs | 1,06,73,725 | 17.84% |
| | 4. Others (Directors/ KMPs/ Trusts/ HUF/ Clearing Member etc.) | 87,11,884 | 14.56% |
| | **Grand Total** | **5,98,21,595** | **100%** |

**The bifurcation of the category wise schedule is as under:**

- Promoter & Promoter Group **/ 33.44% /**
- Mutual Funds/ Domestic Companies/ AIF/ Insurance Companies/NBFCs **/ 27.01% /**
- Non-Resident Indians (NRIs) **/ 7.15% /**
- FPIs **/ 17.84% /**
- Others (Directors/ KMPs/ Trusts/ HUF/ Clearing Member etc.) **/ 14.56% /**




**Dematerialisation of Shares and liquidity:**

As on 31st March, 2024, 99.9998% 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.

We request shareholders whose shares are held in physical mode, to dematerialize their shares. Shareholders holding shares in dematerialized mode are requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode are requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. Shareholders may contact the RTA at einward.ris@kfintech.com. SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat.

However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares

**Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity as of 31st March, 2024**

Your Company does not have any outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2024.

**Details of Public Funding Obtained:**

During the FY 2023-24, your Company has not raised any moneys by way of further public offer.

**Commodity Price risk or foreign exchange risk and hedging activities**

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not applicable

Your Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies. Your Company hedges the risk involved in the Forex exposure by taking suitable forward contracts, future & options in the market against the Forex exposure.

**Details of foreign currency exposure are disclosed in Notes forming part of financial statements of this Annual Report.**

Details of utilization of funds raised through preferential allotment or qualified Institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations are not applicable on the Company for the current financial year.

The Company has not raised any funds through preferential allotment or institutional placement, therefore such Regulation 32(7A) is not applicable on your Company.

**Details of recommendation of Committees of the Board which were not accepted by the Board**

Nil- All recommendations of the Committees of the Board were duly accepted by the Board.

**Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

| Name of entity | Fees paid during FY 2023-24 (₹ In Lakhs) |
|---|---|
| Dixon Technologies (India) Limited | 43 |
| Dixon Global Private Limited | 1 |
| Padget Electronics Private Limited | 29 |
| Dixon Electro Appliances Private Limited | 6 |
| Dixon Electro Manufacturing Private Limited | 4 |
| Dixon Technologies Solutions Private Limited | 4 |
| Dixtel Communications Private Limited | 0.25 |
| Dixon Infotech Private Limited | 0.12 |
| Dixtel Infocom Private Limited | 0.12 |
| Califonix Tech and Manufacturing Private Limited | 5 |

**Disclosure in relation to Sexual Harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013:**

a. Number of complaints filed during FY 2023-24: 2

b. Number of complaints disposed of during FY 2023-24: 2

c. Number of complaints pending as on end of the FY 2023-24: 0

### Plant Locations

Following are the list of Manufacturing Facilities/Corporate office located PAN India, on consolidated basis as on the date of the report:

| Plant location (Addresses) | Products manufactured |
|---|---|
| B-14 & 15, Phase-II, Noida-201305 | Corporate Office |
| B-18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305 | PCB for Air Conditioners |
| C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305 | LED Bulbs |
| Plot No. 6, Sector-90, Noida | Mobile phones/ Laptops. |
| A – 23, Sector-60, Noida | Mobile Phones |
| First Floor, Plot No.154C, Block-A, Sector-63, Noida | Mobile Phone, Laptop |
| Khasra No 1050, Central Hope Town, Selaqui Industrial Area, Dehradun, Uttarakhand | LED bulbs, Battens, T-LEDs, Down Lighter, Ballast, etc. |
| Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand | Washing Machines |
| Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand | Backward integration of plastic parts and sheet metal components |
| Khasra No. 261MIN, Central Hope Town, Selaqui, Dehradun, Uttarakhand-248197 | Backward integration of plastic parts and sheet metal components |
| Plot No. C-2/1, UPSIDC (SIDCUL), Industrial Area, Tehsil Vikas Nagar, Dehradun, Uttarakhand | Washing Machine |
| Shed No. 2, 4, 5, 6, 7, 8, 9, 10 EMC II, Govindavaram, Chittoor- 517526 | LED TVs & Reverse Logistics |
| Shed 1-4, YSR EMC-II, Kadapa, Kopparthy | CCTV & Security Systems |
| Plot No. 1-4, Rural Industrial Complex, VPO-Hambran, Ludhiana | Telecom |
| Plot No. 30 & 31. Govindavaram panchayat, Tirupati | Washing Machine |
| Plot no. 122 & 265, Central Hope Town, Selaqui, Dehradun | Lighting |
| Plot No. C-8, SIDCUL Industrial Area, Selaqui Dehradun, Uttarakhand | Washing Machine |
| B-14. Sector-85 Noida | Telecom |
| B-17, Sector-85 Noida | Wearables & Hearables |
| A-14, Sector-68 Noida, Gautam Buddha Nagar-201301 | Mobile |
| Plot No. 14, Ecotech-VIII, Greater Noida, Uttar Pradesh | Refrigerator |
| EMC-2, Shed 12 & 13, Vikruthmala, Yerpedu Mandal, Chittoor, District, Andhra Pradesh | TV Mould |
| B-13, Sector-85, Noida, Uttar Pradesh | Telecom |

### Consolidation of folios and avoidance of multiple mailing

In order to enable your Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Transfer Agent indicating the folio numbers to be consolidated. The address of RTA is given herein below:

**Address for correspondence:**

| Shareholding related queries: | General Correspondence |
|---|---|
| **KFIN TECHNOLOGIES LIMITED**<br>Karvy Selenium Tower B,<br>Plot 31-32, Gachibowli, Financial District,<br>Nanakramguda, Hyderabad,<br>Telangana 500 032, India<br>Toll free: 18003094001<br>E-Mail:einward.ris@kfintech.com | **DIXON TECHNOLOGIES (INDIA) LIMITED**<br>B-14 & 15, Phase-II, Noida,<br>UttarPradesh-201305<br>Tel: 0120-4737200<br>Fax:0120-4737273<br>E-Mail: investorrelations@dixoninfo.com<br>Website: www.dixoninfo.com |

### List of Credit Ratings

A. You may refer Director's Report for Credit ratings issued by ICRA during the FY 2023-24;

## Other Disclosures

### Significantly material Related Party Transactions:

Your Company's major related party transactions are generally with its Subsidiaries and Joint Venture Companies. The related party transactions are entered into based on consideration of various business exigencies, such as synergy in operations. All the arrangements / transactions entered by your Company during the financial year with related parties were in the ordinary course of business and at an arm's length basis. During the year under review, your Company had not entered into contract/ arrangement / transaction with related parties which could be considered significantly material in accordance with the materiality policy of the Company of related party transactions that may have the potential conflict with interest of the Company at large. For details on the Related Party Transactions please refer the notes to Financial Statements, forming part of the Annual Report. However, your Company has sought approval of the shareholders of the Company at the ensuing 31st Annual General Meeting, for prospective material related party transactions to be entered into by Dixon Electro Appliances Private Limited, Subsidiary of the Company with its related parties.

None of the transactions with any of related parties were in conflict with your Company's interest. Your Company's materiality Policy on Related Party Transactions is available on your Company's website and can be accessed at https://dixoninfo.com/json/dixon/codes-policy/Dixon_Related-Party-Transaction-Policy.pdf.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee and the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the SEBI Listing Regulations and other applicable laws for approval / information. Prior Omnibus approval is obtained for Related Party Transactions which are of repetitive nature.

Further, as per Regulation 23(9) of the SEBI Listing Regulations, your Company has also filed the details of related party transactions on a consolidated basis with the stock exchanges as per the timelines specified under the said Regulations.

### Disclosure of the Loans and advances in the nature of loans to firms/companies in which directors are interested are as under:

| S. No. | Company Name | Nature of Transaction | Name of the Firms/Companies in which Directors are interested | Amount (In Lakhs) |
|---|---|---|---|---|
| 1. | Dixon Technologies (India) Limited | Loan Given | Padget Electronics Private Limited | 38,420 |
| 2. | | Loan Given | Dixon Electro Manufacturing Private Limited | 14,519 |
| 3. | | Loan Given | Dixon Technologies Solution Private Limited | 12,371 |
| 4. | | Loan Given | Dixon Electro Appliances Private Limited | 16,436 |
| 5. | | Loan Given | AIL Dixon Technologies Private Limited | 400 |

### Details of material subsidiaries of the Listed Entity:

| S. No. | Name of the Material Subsidiary | Date and Place of Incorporation | Name of the Statutory Auditor | Date of appointment of Statutory Auditor |
|---|---|---|---|---|
| 1. | Padget Electronics Private Limited | 10/06/2013 and Noida | M/s JKVS & Co. | 14th August, 2019 |

### Particulars of Senior Management (including changes therein since 31st March, 2024)

The details of Senior Management of the Company (including changes therein as on date of the report) as per the definition specified in Regulation 16 of the SEBI Listing Regulations:

1. Mr. Abhijit Kotnis (President & Chief Operating Officer- Consumer Electronics)
2. Mr. Rajeev Lonial (President & Chief Operating Officer- Home appliances)

3. Mr. Pankaj Sharma (President & Chief Operating Officer-Security Surveillance)
4. Mr. Ashish Kumar (Chief Legal Counsel & Group Company Secretary)
5. Mr. Saurabh Gupta (Chief Financial Officer)
6. Mr. Nirupam Sahay (President & Chief Operating Officer-Lighting Solutions) [Ceased with effect from 31st January, 2024]
7. Mr. Kamlesh Kumar Mishra (President - Mobile)
8. Mr. Kishore Kumar Kaul- (Business Head- New Vertical)
9. Mr. Arjun Singh- Chief Human Resource Officer(CHRO) [ceased with effect from 30th April, 2024]
10. Mr. Amit Mittal- Sr. Vice President- Lighting (with effect from 1st February, 2024)
11. Mr. Amit Pradhan- Vice President (IT)

### Details of non-compliance by your Company, penalties, and strictures imposed on the company by stock exchange or SEBI, or any statutory authority, on any matter related to capital markets

There has not been any non-compliance, penalties or strictures imposed on your Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

### Vigil Mechanism / Whistle Blower Policy

Your Company has adopted “Whistle Blower Policy” which provides a vigil mechanism for dealing with instances of fraud, mismanagement, unethical behaviour, actual or suspected violation of the Company’s code of conduct.

This Policy is your Company’s statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Policy reflects your Company’s commitment to principles of integrity, transparency and fairness.

Your Company hereby affirms that no Director/employee have been denied access to the Chairman of the Audit Committee. There was no complaint received through the said mechanism during the FY 2023-24.

This Policy is overseen by the Audit Committee. Through the said Policy, Directors and employees can report concerns of unethical behaviour, actual or suspected fraud or violation of your Company’s ‘Code of Conduct’. The said Policy provides adequate safeguards to the Whistle Blower against victimization. The Whistle Blower Policy has also been uploaded on the website of the Company at https://dixoninfo.com/json/dixon/codes-policy/Whistle-blower-policy.pdf.

Also, during the year, the Company organised workshop/training programme for its employees and staff to create awareness on sexual harassment law.

### Anti-Corruption, Anti Bribery & Conflict of Interest Policy

Company endeavours to conduct its business in an honest and ethical manner. Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates. Company’s designated personnel are strongly prohibited from engaging in any form of unethical activity. This includes a prohibition against direct bribery and indirect bribery, including payments that can be routed through third parties. In view of the same, the Company has adopted an Anti-Corruption, Anti Bribery Policy and Conflict of Interest Policy which is available on the website of the Company at https://www.dixoninfo.com/codes-policies.php

### Compliance with mandatory and adoption of non-mandatory requirements of the SEBI Listing Regulations

Your Company has complied with mandatory requirement of the SEBI Listing Regulations. In compliance with the said Regulations, your Company has obtained a certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance. The said certificate is annexed to this Report.

Your Company has also adopted the non-mandatory requirements specified under Part E of Schedule II of SEBI Listing Regulations regarding direct reporting of Internal Auditor of your Company to the Audit Committee of the Board of Directors. These are as under :

| S. No. | Particulars | Status |
|---|---|---|
| 1 | **Board**<br>Non-Executive Chairperson may be entitled to maintain a chairperson’s office at the listed entity’s expense and also allowed reimbursement of expenses incurred in performance of his duties | Not Applicable as our Chairperson is Executive. |
| 2 | **Shareholders’ Right**<br>A Half - Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders | Complied- Company’s half-yearly and quarterly results are published in leading English and Hindi newspapers and also uploaded on the website of the Company. The Company has taken adequate steps to educate the shareholders on the performance of the Company through timely disclosures on the stock exchange, discussions and deliberation at the quarterly results Investor calls. |

| S. No. | Particulars | Status |
|---|---|---|
| 3 | **Modified opinion in Audit Report**<br>The listed entity may move towards a regime of financial statements with unmodified opinion | Complied. There is no qualification in the Audit Report for the FY 2023-24. |
| 4 | **Reporting of Internal Auditor**<br>The Internal Auditor may report directly to the Audit Committee | Complied - The Internal Auditors of the Company are present in Audit Committee Meetings, and they report to the Audit committee by presenting their internal audit reports and findings. |
| 5 | **Separate Posts of Chairperson and the Managing Director or CEO** | Partially Complied- The post of Chairperson and Managing Director or CEO is different, however, the Chairperson of the Company is an Executive Director. |
| 6 | **Reporting of Internal Auditor** | Complied- The Internal Auditor of the Company attends the meeting of the Audit Committee on regular basis and provides its report directly to the Audit Committee. |

Also, certificate from Practicing Company Secretary has been obtained to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board or Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate is annexed to this Report.

**Weblink:**

a. Web link of Policy for determining 'material' subsidiaries is https://dixoninfo.com/json/dixon/codes-policy/Policy%20on%20Material%20Subsidiary.pdf and;

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

### Disclosure of certain types of Agreements binding listed entities

No agreements have been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or which imposes any restriction or creates any liability upon the Company.

### Non Compliance of any Requirement of Corporate Governance Report

Your Company has not made any non- compliance of any requirement of Corporate Governance Report

### Confirmation of Compliance with the Corporate Governance Requirements Specified in Regulation 17 To 27 And Clauses (B) to (I) of Sub-Regulation 2 of Regulation 46 of SEBI Listing Regulations

Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

### Compliance Management

The Legal & Secretarial Department ensures that your Company conducts its businesses with high standards of compliance in legal, statutory and regulatory provisions. Your Company has instituted an online legal Compliance Management System in conformity with the best Industry standards which gives the compliance status on real time basis.

### NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are filed electronically on NEAPS.

### BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are also filed electronically on the Listing Centre.

### SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### Online Dispute Resolution (ODR):

SEBI has vide its circulars, established a common Online Dispute Resolution portal (ODR) Portal for resolution of disputes arising in Indian Securities market. Pursuant to the same, Investors shall first take up the grievance with the Company directly, escalate the same through SCORES portal and if still not satisfied with the outcome, investors can initiate dispute resolution through ODR portal. The same is accessible through ODR portal at Https://smartodr.in/login and the same is also available on website of the Company at www.dixoninfo.com

## 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. Atul B. Lall |
|---|---|
| Nature of Appointment | Director Liable to retire by Rotation |
| DIN | 00781436 |
| Date of Birth | 5th January, 1962 |
| Date of Appointment/ Re-appointment | 30th June, 2000 |
| Qualification | Master's degree in management studies from the Birla Institute of Technology and Science, Pilani |
| Expertise in Specific area | Mr. Lall has been leading Dixon Technologies since foundation and built it to its current leadership position in the EMS Industry. He is responsible for Dixon's overall strategy and business operations. Aside serving as board members on other group companies of Dixon Technologies, he is also serving as an Independent Director on the Board of Happy Forgings Limited. With over 30 years of experience in the EMS industry, his forte is in introduction of new segment lines and rolling out expansion strategies. 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 is an avid reader and has also authored the book, 'Gita and India Inc.'. He has also been elected as President of Electronic Industries Association Of India ("ELCINA"). Mr. Lall has been conferred with the MAN OF ELECTRONCIS BY CEAMA (Leading Industry Body Association) for 2022. In his leisure time, he likes to indulge in reading and playing Golf. He is also on the governing board of Plaksha University. |
| Directorships in other Companies | **Listed Entity:**<br>1. Happy Forgings Limited (with effect from 8th August, 2023)<br>2. Max Estates Limited (Additional Director in the capacity of Non-Executive Non-Independent Director with effect from 27th March, 2024)<br>3. Dixon Technologies (India) Limited<br>**Unlisted Entity:**<br>1. Padget Electronics Private Limited<br>2. Dixon Electro Appliances Private Limited<br>3. Dixon Electro Manufacturing Private Limited<br>4. Dixon Technologies Solutions Private Limited<br>5. Rexxam Dixon Electronics Private Limited<br>6. Califonix Tech and Manufacturing Private Limited<br>7. Dixon Infotech Private Limited (with effect from 25th August, 2023) |
| Membership / Chairman of Committees (other than your Company)* | Nil |
| Shareholding in the Company | 2,095,585 Equity shares as on 31st March, 2024 i.e. 3.50% of paid up capital of Company. |
| Relationships between directors inter-se | 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, 2024 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:

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# 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 2023-24.

For **Dixon Technologies (India) Limited**

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

Date: 30th July, 2024
Place: Noida

# 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, 2024, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated under Listing Regulations for the year ended 31st March 2024.

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: Greater Noida
Date: 16-05-2024
UDIN: F008273F000378357

# 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 (as amended from time to time).

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, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| S. No. | Name of the Director | DIN / PAN | Date of Appointment |
|---|---|---|---|
| 1. | Mr. Sunil Vachani | 00025431 | 15/01/1993 |
| 2. | Mr. Atul Bihari Lall | 00781436 | 30/6/2000 |
| 3. | Mr. Manuji Zarabi | 00648928 | 23/02/2017 |
| 4. | Mrs. Poornima Shenoy | 02270175 | 23/02/2017 |
| 5. | Mr. Manoj Maheshwari | 02581704 | 03/05/2017 |
| 6. | Mr. Keng Tsung Kuo | 03299647 | 12/04/2019 |
| 7. | Dr. Rakesh Mohan | 02790744 | 02/02/2021 |
| 8. | Mr. Arun Seth | 00204434 | 29/09/2023 |

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

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

Place: Greater Noida
Date: 16-05-2024
UDIN: F008273F000378346

# 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, 2024 and to the best of our knowledge and belief:

    i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

    i. that there are no significant changes in internal control over financial reporting during the year;

    ii. that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

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

Sd/-
**Saurabh Gupta**
(Chief Financial officer)

# Standalone
## Financial Statements

# Independent Auditor’s Report

To
The Members of
**DIXON TECHNOLOGIES (INDIA) LIMITED**

## Report on the audit of the standalone financial statements

### Opinion

We have audited the standalone financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED (“the Company”), which comprise the balance sheet as at 31 March, 2024, 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 material 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 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### Information other than the standalone financial statements and auditor’s report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the directors report, management discussions and analysis (MD&A) and corporate governance report, but does not include the standalone financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report,

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management’s responsibility for the standalone financial statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We have determined that there are no key audit matters to communicate in our report.

## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting

Standards ('Ind AS') specified under Section 133 of the Act,

(e) On the basis of the written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 (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 39 (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 39 (f) to the standalone financial statements.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The final dividend paid during the year and proposed final dividend for the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024

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

**Vinesh Jain**
Partner
Membership No.: 87701
UDIN: 24087701BKDAPJ9117

Place: Noida
Date: 15 May, 2024

# 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 2024**

(i) In respect of property, plant and equipment and other intangible assets

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant detail of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of its property, plant and equipment under which property, plant and equipment and right to use assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'property plant and equipment') are held in the name of the Company. In respect of leasehold properties, lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued its property, plant and equipment (including Right of Use assets) and intangible assets during the year being under cost model.

(e) There are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In the case of goods-in-transit, these goods have been received subsequent to the year-end. According, to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate, having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification as compared with books of account.

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the respective quarters.

(iii) The Company has made investments, provided guarantee, granted loans and advances in the nature of loans, secured or unsecured, to companies during the year, in respect of which:

(a) The Company has provided guarantees and granted unsecured loans to the Companies, and details of which are given below:

₹ in Lakh

| Particulars | Loans | Guarantees | Security |
|---|---|---|---|
| Aggregate amount granted /provided during the year | | | |
| - Subsidiaries and joint ventures | 82,146 | 3,12,830 | - |
| Balance outstanding as at balance sheet date in respect of above cases | | | |
| - Subsidiaries and joint ventures | 45,577 | 5,18,630 | 6,200 |

(b) In our opinion and according to the information and explanations given to us the investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted for setting up new business facilities, the schedule of repayment of principal and payment of interest has been stipulated and, in our opinion, the repayment of principal amounts and the receipt of interest are regular as per stipulation. In respect of loans granted for working capital facilities, the loans are repayable on demand. As per information and explanations given to us, during the year, the Company has not demanded repayment of such loans. Having regard to the fact that repayment of principal amount has not been demanded by the Company, in our opinion the repayment of principal amount and receipt of interest are regular (also refer to reporting under clause (iii)(f) below.

(d) In our opinion and according to the information and explanations given to us, in respect of loans or advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted loans and advances in the nature of loans which are repayable on demand, details of which are given below:

| Particulars | Related parties |
|---|---|
| Aggregate amount of loans/ advances in nature of loans (Rs./ lakh) | |
| - Repayable on demand (A) | 407 |
| - Agreement does not specify any terms or period of repayment (B) | - |
| **Total (A+B)** | **407** |
| Percentage of loans/advances in nature of loans to the total loans | 0.89% |

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

(v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposit during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence reporting under clause 3(v) of the Order are not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Company's products/ services. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable to the Company, have generally been regularly deposited to the appropriate authorities. 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 became payable. The operations of the Company, during the year do not give rise to liabilities of sales tax, service tax, duty of excise and value added tax.

(b) Detail of statutory dues referred to in clause (a) above, which have not been deposited with the appropriate authorities as at 31 March, 2024 on account of disputes are given below:

| Name of the statute | Nature of dues | Amount | Amount paid under Protest | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 780 | - | 2013-14, 2016-17 and 2018-19 | Income Tax Apellate Tribunal |
| | Income Tax | 863 | - | 2014-15, 2015-16 2017-18 | Commissioner of Income Tax (Appeals) |
| | | **1,643** | **-** | | |

| Name of the statute | Nature of dues | Amount | Amount paid under Protest | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Goods and Services Tax Act, 2017 | Goods and Services Tax | 456 | 66 | 2017-18, 2018-19, 2019-20, 2020-21 2021-22 , 2022-23 and 2023-24 | Joint Commissioner (Appeal) of Goods and Services |
| | Goods and Services Tax | 12 | 1 | 2017-18 | The Commissioner (Appeal) |
| | Goods and Services Tax | 89 | 5 | 2018-19, 2019-20 and 2020-21 | Additional Commissioner (Appeal), |
| | Goods and Services Tax | 12 | 4 | 2018-19 and 2023-24 | Additional Commissioner (Appeal), |
| | | **569** | **76** | | |
| Custom Act, 1962 | Custom Duty | 911 | 179 | 2009-10, 2010-11, 2011-12, 2013-14 and 2014-15 | Custom Excise and Service Tax Appellate Tribunal |
| | Custom Duty | 318 | - | 2009-10, 2010-11, 2011-12 | Commissioner of Customs |
| | | **1,229** | **179** | | |
| Central excise Act, 1944 | Excise Duty | 454 | - | 2007-08 | The Supreme Court |
| | Excise Duty | 377 | 28 | 2012-13, 2013-14, 2014-15 and 2015-16 | Customs Excise and Service Tax Appellate Tribunal |
| | Excise Duty | 36 | - | 2008-09 | Commissioner of Central Excise |
| | Excise Duty | 28 | - | 2009-10 | Additional Commissioner of Central Excise |
| | | **895** | **28** | | |
| Central Sales Tax Act, 1956 | Sales Tax | 3 | - | 2010-11 and 2011-12 | High Court |
| | Sales Tax | 22 | 10 | 2017-18 | Joint Commissioner |
| | Sales Tax | 1 | - | 2009-10 | Deputy Commissioner |
| | Sales Tax | 406 | 125 | 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 | Joint Commissioner (appeal) |
| | | **432** | **135** | | |

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have not been used for long-term purposes by the Company.

(e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the order are not applicable.

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

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports issued to the Company till date, covering the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of Section 192 of the Act are not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.

(d) The Group does not have any CIC as part of the Group.

(xvii) The Company has not incurred cash losses during the current financial year. and during the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act.

(b) The Company has no unspent amount towards Corporate Social Responsibility (CSR) pursuant to ongoing projects requiring a transfer to a special account in compliance with provisions of sub-section (6) of Section 135 of the said Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment has been included in respect of said clause under this report.

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

**Vinesh Jain**
Partner
Membership No.: 87701
UDIN: 24087701BKDAPJ9117

Place: Noida
Date: 15 May, 2024

# 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 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's responsibility for internal financial controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

## Meaning of internal financial controls with reference to financial statements

6. A Company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

## Inherent limitations of internal financial controls with reference to the financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

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

**Vinesh Jain**
Partner
Membership No.: 87701
UDIN: 24087701BKDAPJ9117

Place: Noida
Date: 15 May, 2024

# Standalone Balance Sheet

as at 31 March, 2024

₹ in Lakh

| Particulars | Note No. | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipments | 7 | 69,611 | 58,710 |
| (b) Capital work-in-progress | 8 | 3,435 | 5,233 |
| (c) Other intangible assets | 9 | 1,154 | 877 |
| (d) Right -of-use assets | 10 | 11,609 | 14,502 |
| (e) Financial assets | | | |
| i. Investments | 11 | 12,426 | 10,774 |
| ii. Loans | 12 | 45,170 | 24,581 |
| iii. Other financial assets | 13 | 2,205 | 2,195 |
| (f) Other non-current assets | 14 | 998 | 920 |
| | | **1,46,608** | **1,17,792** |
| **Current assets** | | | |
| (a) Inventories | 15 | 39,009 | 43,267 |
| (b) Financial assets | | | |
| i. Investments | 11 | - | 3,000 |
| ii. Trade receivables | 16 | 90,687 | 93,066 |
| iii. Cash and cash equivalents | 17 | 1,979 | 4,400 |
| iv. Bank balances other than cash and cash equivalents | 18 | 203 | 521 |
| v. Loans | 12 | 407 | 2,930 |
| vi. Other financial assets | 13 | 344 | 2,518 |
| (c) Other current assets | 14 | 4,115 | 5,711 |
| | | **1,36,744** | **1,55,413** |
| **TOTAL ASSETS** | | **2,83,352** | **2,73,205** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 19 | 1,196 | 1,191 |
| (b) Other equity | 20 | 1,38,234 | 1,15,449 |
| **TOTAL EQUITY** | | **1,39,430** | **1,16,640** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial liabilities: | | | |
| i. Borrowings | 21 | 4,425 | 5,939 |
| ii. Lease liabilities | 22 | 12,615 | 14,976 |
| (b) Provisions | 23 | 1,249 | 1,140 |
| (c) Deferred tax liabilities (net) | 24 | 1,468 | 1,590 |
| (d) Other non current liabilities | 25 | 1,356 | 1,277 |
| | | **21,113** | **24,922** |
| **Current Liabilities** | | | |
| (a) Financial liabilities: | | | |
| i. Borrowings | 26 | 6,034 | 2,283 |
| ii. Lease liabilities | 22 | 854 | 1,081 |
| iii. Trade payables | 27 | | |
| - Total outstanding dues of micro and small enterprises | | 1,819 | 6,423 |
| - Total outstanding dues to creditors other than micro and small enterprises | | 1,05,831 | 1,14,067 |
| iv. Other financial liabilities | 28 | 1,697 | 747 |
| (b) Other current liabilities | 25 | 5,962 | 5,488 |
| (c) Provisions | 23 | 345 | 620 |
| (d) Current tax liabilities (net) | 29 | 267 | 934 |
| | | **1,22,809** | **1,31,643** |
| **TOTAL LIABILITIES** | | **1,43,922** | **1,56,565** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,83,352** | **2,73,205** |

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**For and on behalf of the Board of Directors**

Sunil Vachani
**Chairman**

Saurabh Gupta
**Chief Financial officer**

Place: Noida
Date: 15 May, 2024

Atul B. Lall
**Vice Chairman and Managing Director**

Ashish Kumar
**Company Secretary**

Place: Noida
Date: 15 May, 2024

# Standalone Statement of Profit and Loss

for the year ended 31 March, 2024

₹ in Lakh

| Particulars | Note No. | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **INCOME** | | | |
| 1 Revenue from operations | 30 | 6,41,140 | 6,99,740 |
| 2 Other income | 31 | 3,729 | 1,847 |
| **3 Total income (1+2)** | | **6,44,869** | **7,01,587** |
| **4 EXPENSES** | | | |
| (a) Cost of materials consumed | 32 | 5,65,215 | 6,15,095 |
| (b) Changes in inventories of finished goods and work-in-progress | 33 | 887 | 2,830 |
| (c) Employee benefits expense | 34 | 18,835 | 18,382 |
| (d) Finance costs | 35 | 4,148 | 3,622 |
| (e) Depreciation and amortisation expense | 36 | 6,398 | 5,761 |
| (f) Other expenses | 37 | 24,688 | 27,372 |
| **Total expenses (4)** | | **6,20,171** | **6,73,062** |
| **5 Profit before tax (3-4)** | | **24,698** | **28,525** |
| 6 Tax expense: | 38 | | |
| (a) Current tax | | 6,135 | 7,036 |
| (b) Deferred tax | | (156) | 369 |
| (c) Income tax related to earlier years (net) | | 153 | 5 |
| **Tax expense (6)** | | **6,132** | **7,410** |
| **7 Profit for the year (5-6)** | | **18,566** | **21,115** |
| **8 Other comprehensive income ('OCI')** | | | |
| (a) Items that will not be reclassified to profit or loss - re-measurement of post employment benefit obligations | | 134 | (66) |
| (b) Income tax relating to items that will not be reclassified to profit and loss | | (33) | 16 |
| **Other comprehensive income for the year** | | **101** | **(50)** |
| **9 Total comprehensive income for the year (7+8)** | | **18,667** | **21,065** |
| **10 Earnings per equity share** | 42 | | |
| (Nominal value of share ₹ 2) | | | |
| (a) Basic | | 31.12 | 35.53 |
| (b) Diluted | | 30.93 | 35.27 |

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**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: 15 May, 2024

Place: Noida
Date: 15 May, 2024

# Standalone Statement of Cash Flows

for the year ended 31 March 2024

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| **Profit before tax** | 24,698 | 28,525 |
| **Adjustments for :** | | |
| Depreciation and amortisation expense | 6,398 | 5,761 |
| Finance costs | 4,148 | 3,622 |
| (Gain)/loss on exchange fluctuation | - | 309 |
| Provision for impairment of property, plant and equipment | - | (171) |
| Interest income | (3,464) | (1,305) |
| (Gain)/loss on lease modification/closure | (247) | - |
| Dividend income | - | (285) |
| (Profit)/loss on mutual fund investments | (18) | (76) |
| Provision for doubtful debts loans and advances written back | 87 | (3) |
| (Profit)/loss on sale of property, plant and equipment | 126 | 305 |
| Excess liabilities, credit balances, provisions etc. written back | - | (7) |
| Subsidy income | (168) | (147) |
| Share based payment expenses | 959 | 1,182 |
| Bad debts written off | - | 5 |
| **Operating profit before working capital changes** | **32,519** | **37,715** |
| **Changes in working capital:** | | |
| Adjustments for (increase)/decrease in operating assets: | | |
| Inventories | 4,258 | 22,322 |
| Trade receivables | 2,555 | (8,509) |
| Other assets | | |
| - non-current | - | - |
| - current | 1,596 | 6,892 |
| Other financial assets | | |
| - non-current | (10) | (95) |
| - current | 2,420 | (18) |
| **Adjustments for increase/(decrease) in operating liabilities:** | | |
| Trade payables | (12,839) | (11,820) |
| Other financial liabilities | (53) | (55) |
| Other current liabilities | 473 | 313 |
| Provisions | (32) | 121 |
| **Cash generated from operating activities** | **30,887** | **46,866** |
| Income tax paid (net) | (6,956) | (6,420) |
| **Net cash generated from/(used in) operating activities** | **23,931** | **40,446** |
| **B. Cash flow from investing activities** | | |
| Capital expenditure on property, plant and equipment and intangible assets | (15,127) | (14,405) |
| Sale proceeds of property, plant and equipment | 1,463 | 871 |
| Loans given | (18,066) | (25,325) |
| Investments in mutual funds | 3,000 | 10,501 |
| Equity investments in shares of subsidiaries and joint ventures | (1,652) | (1,587) |
| (Increase)/decrease in bank balances not classified as cash and cash equivalent (net) | 317 | (16) |
| Profit/(loss) on mutual fund investments | 18 | 76 |
| Dividend income | - | 285 |
| Interest income received | 3,464 | 1,305 |
| **Net cash generated from/(used in) investing activities** | **(26,583)** | **(28,295)** |

# Standalone Statement of Cash Flows

for the year ended 31 March 2024

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **C. Cash flow from financing activities** | | |
| Interest paid | (3,138) | (2,717) |
| Repayment of lease liabilities | (1,771) | (1,680) |
| Proceeds from issue of share | 4,689 | 3,357 |
| Proceeds/(repayment) from/of current borrowings (net) | 3,500 | (3,836) |
| Repayment of non current Borrowings | (1,263) | (12,830) |
| Dividend paid | (1,786) | (1,187) |
| **Net cash generated from/(used in) financing activities** | **231** | **(18,893)** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **(2,421)** | **(6,742)** |
| Cash and cash equivalents at the beginning of the year | 4,400 | 11,142 |
| **Cash and cash equivalents at the end of year (refer note 17)** | **1,979** | **4,400** |

**Notes:**

i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on 'Statements of Cash Flows'.

ii. Figures in brackets indicate cash outflow.

iii. Figures for the previous year have been regrouped wherever considered necessary.

iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**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: 15 May, 2024

Place: Noida
Date: 15 May, 2024

# Standalone Statement of Changes in Equity

for the year ended 31 March, 2024

## a. Equity share capital

| Particular | ₹ / Lakh |
|---|---|
| **Balance as at 1 April, 2022** | **1,187** |
| Shares issued under employee stock option scheme | 4 |
| **Balance as at 31 March, 2023** | **1,191** |
| Shares issued under employee stock option scheme | 5 |
| **Balance as at 31 March, 2024** | **1,196** |

## b. Other equity

₹ in Lakh

| 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, 2022** | **2,453** | **23,226** | **33** | **1,096** | **64,361** | **(130)** | **91,039** |
| Profit for the year | - | - | - | - | 21,115 | - | 21,115 |
| Dividend paid | - | - | - | - | (1,189) | - | (1,189) |
| Share options expenses for the year | - | - | - | 1,182 | - | - | 1,182 |
| Transfer for share option exercised during the year | 593 | - | - | (593) | - | - | - |
| Premium on issue of share under employee stock option scheme | - | 3,352 | - | - | - | - | 3,352 |
| Remeasurement Gain/(Loss) on defined benefit plans, net of income tax | - | - | - | - | - | (50) | (50) |
| **Balance as at 31 March, 2023** | **3,046** | **26,578** | **33** | **1,685** | **84,287** | **(180)** | **1,15,449** |
| Profit for the year | - | - | - | - | 18,566 | - | 18,566 |
| Dividend paid | - | - | - | - | (1,787) | - | (1,787) |
| Share options expenses for the year | - | - | - | 1,221 | - | - | 1,221 |
| Transfer for share option exercised during the year | 1,059 | - | - | (1,059) | - | - | - |
| Premium on issue of share under employee stock option scheme | - | 4,684 | - | - | - | - | 4,684 |
| Remeasurement Gain/(Loss) on defined benefit plans, net of income tax | - | - | - | - | - | 101 | 101 |
| **Balance as at 31 March, 2024** | **4,105** | **31,262** | **33** | **1,847** | **1,01,066** | **(79)** | **1,38,234** |

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**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: 15 May, 2024

Place: Noida
Date: 15 May, 2024

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 1 Corporate Information

Dixon Technologies (India) Limited is a Company incorporated in India, with its registered office situated at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN is L32101UP1993PLC066581. It was incorporated in 1993 under the provisions of the Companies Act 1956.

The Equity Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited.

The Company is primarily involved in manufacturing of electronic goods such as consumer durables, home appliances, lighting product, mobile phones, telecom product and security devices.

The board of Directors of the Company approved the financial statements for the year ended 31 March, 2024 and authorised for issue on 15 May, 2024

## 2 Statement of compliance and going concern assumptions

These standalone financial statements are prepared and presented in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ('the Act') and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The accounting policies have been consistently applied for all the periods presented in the standalone financial statements 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.

## 3 Basis of preparation of standalone financial statements

The standalone financial statements have been prepared on a historical cost basis, except for

- Derivative Financial Instruments at fair value
- Certain financial assets and liabilities at fair value (refer to accounting policy regarding financial instruments)
- Employee's defined benefit plan measured as per actuarial valuation.
- Employee stock option plans measured at fair value

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle. Based on nature of operations, the Company has considered an operating cycle of 12 months.

The standalone financial statements are presented in Indian Rupee, which is the functional currency of the Company and all values are rounded to the nearest lakhs (Rs./00000), except when otherwise indicated.

## 4 Use of estimates and judgements

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented. These estimates involves the use of judgements or assumptions based on the latest available reliable information.

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.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements:

- Determination of useful life of property, plant and equipment and intangible assets
- Loss allowance for expected credit losses
- Measurement of defined benefit obligations - Key actuarial assumptions
- Recognition and measurement of provisions and contingencies
- The net realisable value of an item of inventory
- Lease term regarding exercise of extension options
- Recognition of deferred tax assets / liabilities
- Provision for warranty obligations

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 5 Material Accounting Policy Information

### 5.1 Investment in subsidiaries, joint ventures, and associates

Investments in subsidiaries, joint ventures, and associates are recognised at cost less any impairment loss and are not adjusted to fair value. The cost of investment represents the amount paid for the acquisition of the said investment. The Company assesses carrying value of investments annually, or more frequently if there are any indications of impairment on such investments. If the carrying amount of an investment exceeds its estimated recoverable amount, the impairment loss is recognized in the Statement of Profit and Loss.

### 5.2 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

#### Depreciation and useful life

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life as mentioned in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Asset | Useful life |
|---|---|
| Plant and machinery | 2-15 years |
| Furniture and fixtures | 3-10 years |
| Vehicles | 8-10 years |
| Office equipment | 3-7 years |
| Computers | 3-6 years |
| Building | 9-60 years |

Freehold land is not depreciated

The Company conducts an annual review of the residual value, useful lives, and depreciation method of its assets. If there are differences between the current expectations and previous estimates, the change is accounted for as a prospective change in accounting estimate.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. If the next overhaul is undertaken earlier than the previously estimated life of the economic benefit, the carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss.

If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

#### Derecognition

The Company derecognized property, plant and equipment when it is disposed of or when there are no future economic benefits expected from its continued use. The gain or loss resulting from the disposal or retirement of a property, plant, and equipment item is calculated as the difference between the sales proceeds and the carrying amount of the asset. This gain or loss is recognized in the Statement of Profit and Loss.

#### Capital Work in Progress:

Capital work-in-progress is recorded at its cost, which encompasses expenses incurred during the construction period. This cost also includes interest on the amount borrowed for the acquisition of qualifying assets and other expenses related to project implementation, to the extent that these expenses pertain to the period before the commencement of commercial production.

### 5.3 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed annually, and any changes in estimates are applied prospectively. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite

### Useful life and amortisation

Amortization is recognized in a straight-line manner over the useful lives of the assets, starting from the date of capitalization. The useful lives of the assets is determined as follows:

| Category | Useful life |
|---|---|
| Computer software | 3-6 years |

The estimated useful life of intangible assets is reviewed at the end of each reporting period, and any changes in estimate are accounted for prospectively.

### Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount.

### Intangible assets under development

Intangible assets under development are recorded at their cost, which encompasses expenses related to the development of intangible assets until they are ready for use.

## 5.4 Impairment of property, plant and equipment and intangible assets

At the end of each reporting year, the Company assesses whether there are any indications of impairment for its property, plant and equipment and intangible assets. If there is any indication, the Company estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it's not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

## 5.5 Inventories

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value (except waste and scrap which are valued at estimated net realisable value). Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on using 'First in First Out' method ('FIFO'). Cost includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition. Cost of Finished goods and work in progress includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on FIFO basis.Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 5.6 Government grants

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the standalone statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 5.7 Revenue Recognition

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of discounts or incentives offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Sale of products:

Revenue from the sale of products is recognised when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract

### Sale of service

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Company has an enforceable right to payment for services.

## 5.8 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Company has the right to direct the use of the asset.

### i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings – 05 to 30 years

The right-of-use assets are also subject to impairment.

### ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building and machinery and equipment (i.e., those leases that

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of building and machinery and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 5.9 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### Current tax

Current tax is based on taxable profit for the year. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 5.10 Borrowing cost

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## 5.11 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### Contingent assets

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### Warranty provision

Provisions for warranty-related costs are recognised as an expense in the Statement of Profit and Loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. Refer note no. 23 of the standalone financial statements.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

## 5.12 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

### Short-term employee benefits

Employee benefits such as wages, salaries, bonus, ex-gratia, short-term compensated absences, performance linked rewards, including non-monetary benefits that are expected to be settled within 12 months are classified as short-term employee benefits and are recognised in the period in which the employee renders services and are measured at the amounts expected to be paid when the liabilities are settled.

### Defined contribution plan

Contribution payable to the recognised provident fund, employee state insurance, employee pension scheme and other employee social security scheme etc., which are substantially defined contribution plans, is recognised as expense based on the undiscounted amount of obligations of the Company to contribute to the plan.

### Defined benefit plan

Defined benefit plans comprising of gratuity and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Other long-term employee benefits

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

### Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

## 5.13 Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at the grant date of the equity-settled

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest with corresponding increase in equity. Fair value of the options on the grant date is calculated considering the following:

- Including the impact of market-based performance conditions (e.g. equity share price of an entity) and non-vesting conditions (e.g. holding the shares for the specific period of time)
- Excluding the impact of service and non-market performance conditions (e.g. achieving revenue or profitability target)

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is not remeasured subsequently.

### 5.14 Cash flow statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 5.15 Earnings per share

#### Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

#### Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### 5.16 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

### 5.17 Fair value measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

### 5.18 Financial Instruments

#### Initial recognition and subsequent measurement

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.

i. **Financial assets**

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

The Company's financial assets at amortised cost include trade receivables, loan to subsidiary, joint ventures, and associates, and loans to employees.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
    a. the Company has transferred substantially all the risks and rewards of the asset, or
    b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the risk of the debt instruments. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. **Financial liabilites**

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by accounting standards. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in accounting standards are satisfied.

### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings and instruments.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. **Off setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone financial statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. **Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

**Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

v **Dividend and interest income**

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 6.1 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in the Company's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements. The amendment does not result in any changes in accounting policies of the Company, it impacted the accounting policy information disclosed in the financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policies may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated, In such case, entities develop accounting estimates. This amendment does not have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendment relates to deferred tax assets (DTA) related to assets and liabilities arising from single transaction such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company has disclosed DTA on 'Right To Use' asset and 'Lease Labilities' on gross basis, there is no impact on Net DTA recognised.

### Standards Issued but not effective

As on the date of these financial statements. MCA has not issued and standards or amendments to accounting standards which are effective from April 1, 2024

## 6.2 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

a. Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

b. Useful lives of depreciable/amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

c. Classification of Leases: The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

d. Employee benefit: Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

e. Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.

f. Impairment of financial assets: The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Fair value measurement of Financial Instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility.

h. Warranty : Warranty Provision is measured at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable, and the amount can be reasonably estimated.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 7 Property, plant and equipments

₹ in Lakh

| Particulars | Land | Buildings | Plant and machinery | Furniture and fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| | (see note'i' and 'iv' below) | | | | | | | |
| **At cost or deemed cost** | | | | | | | | |
| Balance as at 1 April, 2022 | 6,190 | 11,378 | 38,571 | 2,779 | 1,082 | 1,397 | 975 | 62,372 |
| Additions | 6,441 | 794 | 6,788 | 179 | 433 | 284 | 319 | 15,238 |
| Disposals | - | 24 | 1,321 | 147 | 231 | 68 | 80 | 1,871 |
| **Balance as at 31 March, 2023** | **12,631** | **12,148** | **44,038** | **2,811** | **1,284** | **1,613** | **1,214** | **75,739** |
| Additions | 2,363 | 5,365 | 8,065 | 382 | 394 | 375 | 336 | 17,280 |
| Disposals | - | 355 | 1,874 | 31 | 155 | 59 | 15 | 2,489 |
| **Balance as at 31 March, 2024** | **14,994** | **17,158** | **50,229** | **3,162** | **1,523** | **1,929** | **1,535** | **90,530** |
| **Accumulated depreciation and impairment** | | | | | . | | | |
| **i. Accumulated depreciation** | | | | | | | | |
| Balance as at 1 April, 2022 | 48 | 1,380 | 9,160 | 846 | 333 | 746 | 555 | 13,068 |
| Charge for the year | 8 | 467 | 2,987 | 312 | 136 | 199 | 210 | 4,319 |
| Disposals | - | 2 | 338 | 94 | 138 | 58 | 65 | 695 |
| **Balance as at 31 March, 2023** | **56** | **1,845** | **11,809** | **1,064** | **331** | **887** | **700** | **16,692** |
| Charge for the year | 8 | 554 | 3,306 | 274 | 163 | 231 | 279 | 4,815 |
| Disposals | - | 36 | 770 | 20 | 39 | 46 | 14 | 925 |
| **Balance as at 31 March, 2024** | **64** | **2,363** | **14,345** | **1,318** | **455** | **1,072** | **965** | **20,582** |
| **ii. Impairment losses** | | | | | | | | |
| Balance as at 1 April, 2022 | - | - | 508 | - | - | - | - | 508 |
| Additions | - | - | - | - | - | - | - | - |
| Disposals | - | - | 171 | - | - | - | - | 171 |
| **Balance as at 31 March, 2023** | **-** | **-** | **337** | **-** | **-** | **-** | **-** | **337** |
| Additions | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| **Balance as at 31 March, 2024** | **-** | **-** | **337** | **-** | **-** | **-** | **-** | **337** |
| **Net carrying amount** | | | | | | | | |
| **As at 31 March, 2023** | **12,575** | **10,303** | **31,892** | **1,747** | **953** | **726** | **514** | **58,710** |
| **As at 31 March, 2024** | **14,930** | **14,795** | **35,547** | **1,844** | **1,068** | **857** | **570** | **69,611** |

**Notes:**

i. Land includes, freehold land located at Plot no C 2/1, Selaqui, Dehradun, Uttarakhand, which was purchased through auction from a Bank during the financial year 2016-17. The aforesaid land is registered in the name of the company. A party has initiated legal case disputing ownership of the said land at various courts/ tribunals, including Hon'ble Debt Recovery Tribunal at Lucknow and Dehradun ('DRT') and Hon'ble Debt Recovery Appellate Tribunal, Allahabad ('DRAT') and Hon'ble Nainital High Court.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 7 Property, plant and equipments (Contd..)

The matter has been decided by DRAT in the favour of the Company. The Company, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250 lakh and capital assets created thereon is having the net block of ₹ 2,217 lakh as at 31 March, 2024.

ii. For information of the assets pledged as security against borrowings, see note 21, 26 and 40.

iii. There are no proceedings against the Company, that have been initiated or pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

iv. Land includes, land taken from Noida authorities with a right to use for 99 years, which can be further extended by 99 years at the option of the Company. The said land is being amortised over intial period of right to use.

## 8 Capital work in progress

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Opening balance** | 5,233 | 1,896 |
| Additions during the year | 2,819 | 4,429 |
| Capitalised during the year | 4,617 | 1,092 |
| **Closing balance** | **3,435** | **5,233** |

**Notes:**

**a) Ageing of capital work in progress**

As at 31 March, 2024

₹ in Lakh

| Particulars | Amount in capital work in progress for | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| Projects in progress | 3,007 | 428 | - | - | 3,435 |

As at 31 March, 2023

₹ in Lakh

| Particulars | Amount in capital work in progress for | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| Projects in progress | 4,429 | 804 | - | - | 5,233 |

b) Projects in progress comprises projects of Semi Automatic Washing Machine, Led Television, Led Lighting, Mobile and others.

c) There is no capital project in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

d) For disclosure of contractual commitments for the acquisition of property, plant and equipment, see note 39.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 9 Other intangible assets

₹ in Lakh

| Particulars | Computer Software |
|---|---|
| **As at cost or deemed cost** | |
| Balance as at 01 April, 2022 | 678 |
| Additions | 721 |
| Disposals | - |
| **Balance as at 31 March, 2023** | **1,399** |
| Additions | 524 |
| Disposals | - |
| **Balance as at 31 March, 2024** | **1,923** |
| **Accumulated amortisation** | |
| Balance as at 01 April, 2022 | 395 |
| Charge for the year | 127 |
| Disposals | - |
| **Balance as at 31 March, 2023** | **522** |
| Charge for the year | 247 |
| Disposals | - |
| **Balance as at 31 March, 2024** | **769** |
| **Net carrying amount** | |
| **As at 31 March, 2023** | **877** |
| **As at 31 March, 2024** | **1,154** |

## 10 Right -of-use assets

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Carrying value of right of use assets** | | |
| Land and buildings | 11,609 | 14,502 |
| | **11,609** | **14,502** |
| **Right-of-use assets** | | |
| **Carrying amount of right of use assets** | | |
| Opening balance | 14,502 | 11,695 |
| Additions during the year | - | 4,151 |
| | **14,502** | **15,846** |
| Depreciation during the year: | | |
| - Capital work in progress | 29 | 29 |
| - Statement of profit and loss account | 1,336 | 1,315 |
| Derecognised during the year | 1,528 | - |
| **Subtotal** | **2,893** | **1,344** |
| **Closing balance** | **11,609** | **14,502** |

**Note:**

For the information of lease liabilities and other disclosures see note no. 22

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 11 Investments

### A. Non-current investments

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | Number of Shares | ₹ / Lakh | Number of Shares | ₹ / Lakh |
| **i. Investment in equity instrument** | | | | |
| **a. In subsidiary companies** | | | | |
| (Unquoted, at cost) | | | | |
| Dixon Global Private Limited | 10,00,000 | 100 | 10,00,000 | 100 |
| Equity shares of ₹ 10 Each | | | | |
| Padget Electronics Private Limited | 1,50,00,000 | 3,450 | 1,50,00,000 | 3,450 |
| Equity shares of ₹ 10 Each | | | | |
| Dixon Electro Appliances Private Limited | 51,000 | 5 | 51,000 | 5 |
| Equity shares of ₹ 10 Each | | | | |
| Dixon Electro Manufacturing Private Limited | 10,000 | 1 | 10,000 | 1 |
| Equity shares of ₹ 10 Each | | | | |
| Dixon Technologies Solutions Private Limited | 10,000 | 1 | 10,000 | 1 |
| Equity shares of ₹ 10 Each | | | | |
| Dixtel Communications Private Limited | 1,00,000 | 10 | 1,00,000 | 10 |
| Equity shares of ₹ 10 Each | | | | |
| Dixon Infotech Private Limited | 10,000 | 1 | - | - |
| Equity shares of ₹ 10 Each | | | | |
| Dixtel Infocom Private Limited | 10,000 | 1 | - | - |
| Equity shares of ₹ 10 Each | | | | |
| Califonix Tech And Manufacturing Private Limited | 2,15,50,000 | 2,155 | - | - |
| Equity shares of ₹ 10 Each | | | | |
| | | **5,724** | | **3,567** |
| **b. In jointly controlled entities** | | | | |
| (Unquoted, at cost) | | | | |
| AIL Dixon Technologies Private Limited | 95,00,000 | 950 | 95,00,000 | 950 |
| Equity shares of ₹ 10 Each | | | | |
| Rexxam Dixon Electronics Private Limited | 60,00,000 | 600 | 60,00,000 | 600 |
| Equity shares of ₹ 10 Each | | | | |
| Califonix Tech And Manufacturing Private Limited | - | - | 50,50,000 | 505 |
| Equity shares of ₹ 10 Each | | | | |
| | | **1,550** | | **2,055** |
| **c. Others** | | | | |
| (unquoted) | | | | |
| (fair value through profit and loss) | | | | |
| Amplus RJ Solar Private Limited | 15,36,800 | 154 | 15,36,800 | 154 |
| | | **154** | | **154** |
| **ii. Investment in Preference shares** | | | | |
| **a. In subsidiary company** | | | | |
| (Unquoted, at cost) | | | | |
| Dixon Electro Appliances Private Limited | 4,99,80,000 | 4,998 | 4,99,80,000 | 4,998 |
| Preference shares of ₹10 Each | | | | |
| | | **4,998** | | **4,998** |
| **Total** | | **12,426** | | **10,774** |
| Aggregate carrying value of unquoted investments | | 12,426 | | 10,774 |
| Aggregate amount of impairment in the value of investments | | - | | - |

**Notes:**

**I.** No investment is pledged as security by the Company.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 11 Investments (Contd..)

### II. Information of subsidiaries and jointly controlled entities

| 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, 2024 | As at 31 March, 2023 |
| **Subsidiary Companies** | | | | | |
| i. Dixon Global Private Limited | Trading | Noida, India | Noida, India | 100% | 100% |
| ii. Padget Electronics Private Limited | Manufacturing | Noida, India | Noida, India | 100% | 100% |
| iii. Dixon Electro Manufacturing Private Limited | Manufacturing | Noida, India | Noida, India | 100% | 100% |
| iv. Dixon Technologies Solutions Private Limited | Manufacturing | Noida, India | Dehradun India | 100% | 100% |
| v. Dixon Electro Appliances Private Limited | Manufacturing | Noida, India | Ludhiana, India Noida, India | 51% | 51% |
| vi. Dixtel Communications Private Limited# | Trading | Noida, India | Noida, India | 100% | 100% |
| vii. Dixon Infotech Private Limited* | Manufacturing | Noida, India | Noida, India | 100% | - |
| viii. Dixtel Infocom Private Limited* | Manufacturing | Noida, India | Noida, India | 100% | - |
| ix. Califonix Tech and Manufacturing Private Limited # (see note below) | Manufacturing | Noida, India | Noida, India | 50% | - |
| **Jointly controlled entities** | | | | | |
| i. AIL Dixon Technologies Private Limited | Manufacturing | Noida, India | Andhra Pradesh, India | 50% | 50% |
| ii. Rexxam Dixon Electronics Private Limited | Manufacturing | Noida, India | Noida, India | 40% | 40% |
| iii. Califonix Tech and Manufacturing Private Limited (see note below) | Manufacturing | Noida, India | Noida, India | - | 50% |

* Incorporated during the year.

# Incorporated in previous year

Note :During the year, Califonix Tech and Manufacturing Private Limtied is considered as subsidiary on the basis of control obtained.

### III. Operation details of jointly controlled entities

#### i. AIL Dixon Technologies Private Limited

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Income | 63,271 | 49,244 |
| Expenses | 62,563 | 48,008 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 11 Investments (Contd..)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Assets | 32,159 | 30,993 |
| Liabilities | 28,452 | 27,712 |
| Contingent liabilities | 3,328 | 1,568 |
| Commitments (net of advance) | - | 10 |

**Notes**

- The operations are disclosed to the extent of the share of the Company.
- The information disclosed above is based on the latest audited financial statements of the company

### ii. Rexxam Dixon Electronics Private Limited

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Income | 14,501 | 9,547 |
| Expenses | 13,288 | 9,233 |

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Assets | 10,658 | 11,417 |
| Liabilities | 8,807 | 10,587 |
| Contingent liabilities | 45 | 90 |
| Commitments (net of advance) | 1 | 2 |

**Notes**

- The operations are disclosed to the extent of the share of the Company.
- The information disclosed above is based on the latest audited financial statement of the company

### iii. Califonix Tech and Manufacturing Private Limited

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Income | - | - |
| Expenses | - | 73 |

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Assets | - | 1,826 |
| Liabilities | - | 1,394 |
| Contingent liabilities | - | - |
| Commitments (net of advance) | - | 336 |

**Notes**

- The operations are disclosed to the extent of the share of the Company.
- The information disclosed above is based on the latest audited financial statements of the company

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 11 Investments (Contd..)

### B. Current investments

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No. of Units | ₹ / Lakh | No. of Units | ₹ / Lakh |
| **i. Investment in mutual funds** | | | | |
| (Quoted, carried at fair value through profit and loss) | | | | |
| - SBI Overnight Fund-Regular Growth | - | - | 83,154 | 3,000 |
| | **-** | **-** | **83,154** | **3,000** |

**Measurement of Investments:**

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Investment carried at amortised cost | - | - |
| Investment carried at fair value through profit and loss "FVTPL" | - | 3,000 |
| Investment carried at fair value through other comprehensive income "FVTOCI" | - | - |
| **Aggregate carrying value of quoted investments** | **-** | **3,000** |

## 12 Loans

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Non-Current** | | |
| **(Unsecured, considered good)** | | |
| a. Loans to related parties (see note 49) | | |
| - Subsidiaries | 45,170 | 24,581 |
| | **45,170** | **24,581** |
| **Current** | | |
| **(Unsecured, considered good)** | | |
| a. Loans to related parties (see note 49) | | |
| - Subsidiaries | 7 | 2,930 |
| - Joint Ventures Companies | 400 | - |
| | **407** | **2,930** |

**Notes**

**i. Disclosures of inter corporate loans as required by section 186(4) of the Companies Act, 2013 are as follows :**

₹ in Lakh

| Particulars | Rate of interest | | Repayment term | Secured/ Unsecured | As at 31 March, 2024 | As at 31March, 2023 |
|---|---|---|---|---|---|---|
| | Current year | Previous year | | | | |
| **A. Non current loan** | | | | | | |
| **(For setting up new business facility)** | | | | | | |
| i. Padget Electronics Private Limited | SBI+1 Year MCLR (8.65%) | SBI+1 Year MCLR (8.50%) | From 01 June, 2023 to 31 March,2029 | Unsecured | 11,600 | 7,000 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 12 Loans (Contd..)

₹ in Lakh

| Particulars | Rate of interest | | Repayment term | Secured/ Unsecured | As at 31 March, 2024 | As at 31March, 2023 |
|---|---|---|---|---|---|---|
| | Current year | Previous year | | | | |
| ii. Dixon Electro Manufacturing Private Limited | SBI+1 Year MCLR (8.65%) | 8.10% | From 30 April, 2024 to 31 March,2031 | Unsecured | 29,634 | 15,115 |
| iii. Dixon Technologies Solutions Private Limited | SBI+1 Year MCLR (8.65%) | 8.10% | From 30 April, 2024 to 30 April,2034 | Unsecured | 3,936 | 2,466 |
| | | | | | **45,170** | **24,581** |
| **B. Current loan** | | | | | | |
| **(For working capital facility)** | | | | | | |
| i. Dixon Electro Appliances Private Limited | SBI+3 month MCLR (8.20%) | SBI+3 month MCLR (8.10%) | Repayable on demand | Unsecured | 7 | 500 |
| ii. AIL Dixon Technologies Private Limited | 11.00% | - | Repayable on demand | Unsecured | 400 | - |
| iii. Padget Electronics Private Limited | - | 8.10% | Repayable on demand | Unsecured | - | 2,430 |
| | | | | | **407** | **2,930** |

**ii. Disclosure of loans and advances in the nature of loans given to subsidiaries, associates and other companies in which directors are interested as required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:**

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A. Non-current loans** | | |
| i. Padget Electronics Private Limited | 11,600 | 7,000 |
| (Maximum amount outstanding during the year ₹ 11,900 Lakh (Previous year ₹ 7,000 lakh)) | | |
| ii. Dixon Electro Manufacturing Private Limited | 29,634 | 15,115 |
| (Maximum amount outstanding during the year ₹ 29,634 Lakh (Previous year ₹ 15,115 lakh)) | | |
| iii. Dixon Technologies Solutions Private Limited | 3,936 | 2,466 |
| (Maximum amount outstanding during the year ₹ 4,987 Lakh (Previous year ₹ 2,466 lakh)) | | |
| | **45,170** | **24,581** |
| **B. Current loans (repayable on demand):** | | |
| i. Dixon Electro Appliances Private Limited | 7 | 500 |
| ii. AIL Dixon Technologies Private Limited | 400 | - |
| iii. Padget Electronics Private Limited | - | 2,430 |
| | **407** | **2,930** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 12 Loans (Contd..)

### iii. Disclosures for Loans or advances granted to promoters, directors and the related parties

The Company has given loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

a. repayable on demand or

b. without specifying any terms or period of repayment

₹ in Lakh

| Type of Borrower | Amount of loan or advances in nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
|---|---|---|
| | As at 31 March, 2024 | % |
| Promoters | - | - |
| Directors | - | - |
| KMPs | - | - |
| Related parties | 407 | 0.89% |

₹ in Lakh

| Type of Borrower | Amount of loan or advances in nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
|---|---|---|
| | As at 31 March, 2023 | % |
| Promoters | - | - |
| Directors | - | - |
| KMPs | - | - |
| Related parties | 2,930 | 10.65% |

## 13 Other financial assets

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non-current** | | |
| a. Amount paid under protest to government authorities | 1,118 | 1,061 |
| b. Security deposits | 1,087 | 1,134 |
| | **2,205** | **2,195** |
| **II. Current** | | |
| a. Advances to employees | 99 | 190 |
| b. Amount receivables from government authorities (Incentive and refund receivables) | 145 | 2,277 |
| c. Other receivables | 59 | 51 |
| d. Outstanding forward Marked to Market (MTM) | 41 | - |
| | **344** | **2,518** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 14 Other assets

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non-current** | | |
| a. Capital advances | 998 | 920 |
| b. Other advances considered doubtful | 32 | 25 |
| Less : Provision for doubtful advances | (32) | (25) |
| | - | - |
| | **998** | **920** |
| **II. Current** | | |
| a. Balance with government authorities (see note below) | 1,473 | 1,143 |
| b. Advances to suppliers | 1,881 | 3,981 |
| c. Prepaid expenses | 761 | 587 |
| | **4,115** | **5,711** |

**Note:**

Balance with government authorities includes goods and service tax, custom duty etc.

## 15 Inventories

(Valued at lower of cost and net realisable value)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Raw material, store and spares and packing material etc. | | |
| - in stock | 27,992 | 30,189 |
| - in transit | 1,956 | 3,130 |
| b. Work-in-progress | 1,663 | 4,035 |
| c. Finished goods | 7,398 | 5,913 |
| | **39,009** | **43,267** |

Note: For details of inventories pledged as security for borrowings, see note 40

## 16 Trade receivables

(unsecured)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. from related parties (see note 49) | 1,731 | 11,553 |
| b. from others | 89,070 | 81,547 |
| | **90,801** | **93,100** |
| Less: Allowances for doubtful debts | 114 | 34 |
| | **90,687** | **93,066** |

Note: For details of trade receivables pledged as security for borrowings, see note 40

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 16 Trade receivables (Contd..)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Trade receivables** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 90,687 | 93,066 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | 114 | 34 |
| | **90,801** | **93,100** |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | - |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | 114 | 34 |
| | **114** | **34** |
| **Trade receivables (Net)** | **90,687** | **93,066** |

**Ageing for trade receivables - billed – current outstanding as at 31 March, 2024 is as follows:**

₹ in Lakh

| Particulars | Current but not due | Outstanding for the following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less then 6 Month | 6 -12 month | 1-2 Years | 2-3 years | More than 3 years | |
| Undisputed trade receivables– considered good | 62,189 | 27,020 | 941 | 537 | - | - | 90,687 |
| Undisputed trade receivables– which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables– credit impaired | - | - | - | 114 | - | - | 114 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | **62,189** | **27,020** | **941** | **651** | **-** | **-** | **90,801** |

**Ageing for trade receivables - billed – current outstanding as at 31 March, 2023 is as follows:**

₹ in Lakh

| Particulars | Current but not due | Outstanding for the following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less then 6 Month | 6 -12 month | 1-2 Years | 2-3 years | More than 3 years | |
| Undisputed trade receivables– considered good | 69,697 | 22,484 | 832 | 53 | - | - | 93,066 |
| Undisputed trade receivables– which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables– credit impaired | - | - | - | 34 | - | - | 34 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 16 Trade receivables (Contd..)

₹ in Lakh

| Particulars | Current but not due | Outstanding for the following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less then 6 Month | 6 -12 month | 1-2 Years | 2-3 years | More than 3 years | |
| Disputed trade receivables– considered good | - | - | - | - | - | - | - |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables– credit impaired | - | - | - | - | - | - | - |
| | **69,697** | **22,484** | **832** | **87** | **-** | **-** | **93,100** |

**Note:**

i. The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.

ii. Trade receivables ageing have been disclosed on due basis.

iii. There is no unbilled trade receivables as at the year end.

## 17 Cash and cash equivalents

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Balances with banks | | |
| - in current accounts | 1,703 | 4,115 |
| - in escrow accounts | 248 | 248 |
| b. Cash on hand | 28 | 37 |
| | **1,979** | **4,400** |

**Note:** There are no cash and cash equivalent balances held by the entity that are not available for use by the Company

## 18 Bank balances other than cash and cash equivalents

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Margin money deposits (see note below) | 201 | 520 |
| b. Balance in earmarked account -unpaid dividend accounts | 2 | 1 |
| | **203** | **521** |

**Note**

The Marging money are ear marked and is not available for use by the Company as per term of contract.Margin Money deposit balances are more than 3 month but less than 12 months. Margin money is held against letter of credit, bank guarantee, submitted with various taxation departments.

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 19 Equity share capital

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No of shares | ₹ / Lakh | No of shares | ₹ / Lakh |
| **Authorised** | | | | |
| Equity shares of ₹ 2 each | 13,00,00,000 | 2,600 | 13,00,00,000 | 2,600 |
| **Issued, subscribed and paid-up** | | | | |
| Equity shares of ₹ 2 each fully paid up | 5,98,21,595 | 1,196 | 5,95,60,165 | 1,191 |
| | **5,98,21,595** | **1,196** | **5,95,60,165** | **1,191** |
| **a. Reconciliation of equity shares** | | | | |
| Balance as at the beginning of the year | 5,95,60,165 | 1,191 | 5,93,41,935 | 1,187 |
| Share issued under employees stock option scheme | 2,61,430 | 5 | 2,18,230 | 4 |
| **Balance as at the end of the year** | **5,98,21,595** | **1,196** | **5,95,60,165** | **1,191** |

### b. Terms and rights of equity shareholders

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the annual general meeting except in the case of interim dividend.

### c. Detail of holders holding more than 5% of the aggregate shares in the Company.

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No of shares | % holding | No of shares | % holding |
| Mr. Sunil Vachani | 37,11,411 | 6.20% | 1,57,47,644 | 26.44% |
| Mrs. Kamla Vachani | 40,44,250 | 6.76% | 43,40,244 | 7.29% |
| Mrs. Gayatri Vachani | 38,87,561 | 6.50% | 38,87,581 | 6.53% |
| PSV family trust** | 94,49,786 | 15.80% | - | - |
| Life Insurance Corporation of India | - | - | 34,09,395 | 5.72% |
| | **2,10,93,008** | **35.26%** | **2,73,84,864** | **45.98%** |

### d Details of share held by Promoters*

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | ₹ / Lakh | No of shares | ₹ / Lakh | |
| **Promotor Name** | | | | | |
| Mr. Sunil Vachani | | | | | |
| No's of shares | 37,11,411 | 74 | 1,57,47,644 | 315 | |
| % holding | 6.20% | 6.20% | 26.44% | 26.44% | -20.24% |
| **Promotor's Group** | | | | | |
| Mrs. Gayatri Vachani | | | | | |
| No's of shares | 38,87,561 | 78 | 38,87,581 | 78 | |
| % holding | 6.50% | 6.50% | 6.53% | 6.53% | -0.03% |
| Mr. Suresh Vaswani | | | | | |
| No's of shares | 5,76,573 | 12 | 6,36,277 | 13 | |
| % holding | 0.96% | 0.96% | 1.07% | 1.07% | -0.11% |
| PSV family trust** | | | | | |
| No's of shares | 94,49,786 | 189 | - | - | |
| % holding | 15.80% | 15.80% | - | - | 15.80% |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 19 Equity share capital (Contd..)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | ₹ / Lakh | No of shares | ₹ / Lakh | |
| KSV family trust** | | | | | |
| No's of shares | 23,62,447 | 47 | - | - | |
| % holding | 3.95% | 3.95% | - | - | 3.95% |
| Mr. Kamal Vachani | | | | | |
| No's of shares # | 3,802 | - | 3,802 | - | |
| % holding | 0.01% | 0.01% | 0.01% | 0.01% | 0.00% |
| Mr. Ravi Vachani | | | | | |
| No's of shares ## | 10,280 | - | 7,527 | - | |
| % holding | 0.02% | 0.02% | 0.01% | 0.01% | 0.01% |

* As defined under the Companies Act, 2013, but does not include person considered as Promoter group as per Regulations 2 (1) (zb) of SEBI ICDR Regulations.

** PSV Family Trust and KSV Family Trust formed part of the Promoter group with effect from 21st November, 2023 wherein Mr. Sunil Vachani and Mrs. Gayatri Vachani are the Trustees to the said trusts.

# share held of ₹ 0.08 lakh (previous year ₹ 0.08 Lakh)

## share held of ₹ 0.21 lakh (previous year ₹ 0.15 Lakh)

### e. Summary of dividend and proposed dividend

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Cash dividends on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2023: ₹ 3 per share (previous year ₹ 2 per share) | 1,787 | 1,189 |
| | **1,787** | **1,189** |
| **Proposed dividends on Equity shares** | | |
| Final dividend for the year ended on 31 March 2024: ₹ 5 per share (previous year ₹3 per share) | 2,991 | 1,787 |
| | **2,991** | **1,787** |

The Board of Directors have recommended a final dividend of 250% (₹ 5.00/- per Equity Share of ₹ 2/- each) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

**f.** Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date- Nil

### g. Shares held by Holding or ultimate Holding company

The Company does not have any Holding Company.

### h. Shares reserved for issue under employee stock option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 48. 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.

| Particulars | No of shares | |
|---|---|---|
| | As at 31 March, 2024 | As at 31 March, 2023 |
| No. of share reserved | 25,67,960 | 8,80,430 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 20 Other equity

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. General reserve | 4,105 | 3,046 |
| b. Securities premium | 31,262 | 26,578 |
| c. Capital redemption reserve | 33 | 33 |
| d. Other comprehensive income | (79) | (180) |
| e. Share option outstanding account | 1,847 | 1,685 |
| f. Retained earnings | 1,01,066 | 84,287 |
| | **1,38,234** | **1,15,449** |
| **a. General reserve** | | |
| Opening balance | 3,046 | 2,453 |
| Transfer for share option exercised during the year | 1,059 | 593 |
| **Closing balance** | **4,105** | **3,046** |
| **b. Securities premium** | | |
| Opening balance | 26,578 | 23,226 |
| Add: Premium on issue of share under employees stock option scheme (see note 48) | 4,684 | 3,352 |
| **Closing balance** | **31,262** | **26,578** |
| **c. Capital redemption reserve** | | |
| Opening balance | 33 | 33 |
| **Closing balance** | **33** | **33** |
| **d. Other comprehensive income-** | | |
| Remeasurement of defined benefit plans | | |
| Opening balance | (180) | (130) |
| Movement during the year | 101 | (50) |
| **Closing balance** | **(79)** | **(180)** |
| **e. Share option outstanding account** | | |
| Opening balance | 1,685 | 1,096 |
| Add : Granted/ vested during the year | 1,221 | 1,182 |
| Less : Exercised during the year (Refer note 48) | (1,059) | (593) |
| **Closing balance** | **1,847** | **1,685** |
| **f. Retained earnings** | | |
| Opening balance | 84,287 | 64,361 |
| Add : Profit for the year | 18,566 | 21,115 |
| Less: Appropriation | | |
| - Final dividend on equity shares for the year ended 31 March, 2023 (₹ 3 per share) | (1,787) | - |
| - Final dividend on equity shares for the year ended 31 March, 2022 (₹ 2 per share) | - | (1,189) |
| **Closing balance** | **1,01,066** | **84,287** |

**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. Securities premium**

The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium. It can be used for issue of bonus shares, write- off of equity related expenses etc.

**c. Capital redemption reserve:**

The reserve has been created by buy back of equity shares and fully convertible cumulative participatory preference shares

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 20 Other equity (Contd..)

**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.

## 21 Borrowings

**(at amortised cost)**

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| -Non Current | | |
| **i. From banks** | | |
| **(Secured)** | | |
| a. Term Loan | | |
| - HDFC Bank Limited (see note 'I' below) | 5,839 | 7,082 |
| | **5,839** | **7,082** |
| **ii. From non banking financial companies** | | |
| **(Secured)** | | |
| - Tata Capital Housing Finance Limited (see note 'II' below) | 100 | 120 |
| | **100** | **120** |
| **Total** | **5,939** | **7,202** |
| Less: Current maturities of long term borrowings (refer note 26) | 1,514 | 1,263 |
| | **4,425** | **5,939** |

**Notes:**

**I Borrowing from HDFC Bank Limited**

**a. Term loan from HDFC Bank Limited**

| Particulars | | Term loan-1 | Term loan-2 |
|---|---|---|---|
| A. Outstanding balance current year | ₹ /Lakh | 1,241 | 4,598 |
| Outstanding balance previous year | ₹ /Lakh | 1,382 | 5,700 |
| B. Rate of Interest | % | 6 month MCLR+0.60% | Repo Rate +1.06% with quarterly reset |
| C. Terms of repayment | | Repayable in 5 years including 1 year of moratorium followed by 20%, 20%, 30%, and 30% repayment in 2nd, 3rd, 4th and 5th year respectively | Repayable in 6.5 years including 1.5 year of moratorium followed by 10%, 15%, 15%,30% and 30% repayment in Ist, 2nd,3rd, 4th and last year respectively. |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 21 Borrowings (Contd..)

### b. Nature of Security

**Term loan-1**

- Secured against first pari - passu charge on all movable fixed assets of the company (except those charged exclusively to other lenders)
- exclusive charge on movable fixed assets of unit located at plot no. 262 M, Industrial Area, Central Hope Town, Selakui, Dehradun (both present and future)
- first pari passu charged over movable fixed assets of the unit located at C-3/1, Selaqui Industrial Area Dehradun
- exclusive charge on immovable property located at Plot No C-2/1, UPSIDC Industrial Area, Selaqui, vikas Nagar, Dehradun, Uttarakhand

**Term loan-2**

- secured against first pari passu charge on all movable fixed assets of the company (except those exclusively charged with other banks).
- exclusive charge on immovable fixed assets of the company located at Khasra No. 1050/2, 1050/6, 1050/7, 1050/8, 1050/9 situated at Mauza East Hope Town, Tehsil Vikas Nagar, Pargana- Pachwa Doon, District – Dehradun (Uttrakhand)
- 25% of FD margin for letter of credit 3 facility

**II** Term loan from Tata Capital Housing Finance Limited

**Rate of interest**

Rate of interest is bearing of 12.25% p.a.

**Repayment term**

Repayable in 120 monthly installments from August' 2017 to August' 2027

**Security**

Loan is secured by mortgage of the related asset Unit no. 2, TH-1, Rajpura Dehradun

**III** Term of repayment of long term borrowings

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No. of Installments | ₹ / Lakh | No. of Installments | ₹ / Lakh |
| **Secured monthly repayment** | | | | |
| Less than 1 year | 12 | 21 | 12 | 19 |
| Due 1 to 5 years | 37 | 79 | 48 | 100 |
| More than 5 years | - | - | 1 | 1 |
| **Secured quarterly repayment** | | | | |
| Less than 1 year | 16 | 1,493 | 16 | 1,244 |
| Due 1 to 5 years | 28 | 4,346 | 44 | 5,838 |
| More than 5 years | - | - | - | - |
| | | **5,939** | | **7,202** |

**IV** The Company has not defaulted in the repayment of dues to its lenders.

**V** Borrowings from banks and financial institution have been used for the specific purpose for which it was taken at the balance sheet date.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 22 Lease liabilities

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A) Non current** | | |
| a. Lease liabilities | 12,615 | 14,976 |
| | **12,615** | **14,976** |
| **B) Current** | | |
| a. Lease liabilities | 854 | 1,081 |
| | **854** | **1,081** |

### II Movement in lease liabilities during the year:

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. Lease liabilities** | | |
| - Non current | 12,615 | 14,976 |
| - Current | 854 | 1,081 |
| | **13,469** | **16,057** |
| **b. Balance at the Beginning of the year** | 16,057 | 12,707 |
| Additions during the year | - | 4,151 |
| | **16,057** | **16,858** |
| **Finance cost accrued during the year:** | | |
| - Capital work in progress | 167 | 161 |
| - Statement of profit and loss account | 986 | 908 |
| Total cash outflow | (1,771) | (1,680) |
| Derecognised during the year | (1,970) | (190) |
| **Balance as at end of the year** | **13,469** | **16,057** |
| **c. Maturity analysis of lease liabilities:** | | |
| **i. The table below provides details regarding the maturities of lease liabilities:** | | |
| 0-3 Months | 220 | 278 |
| 3-6 Months | 216 | 273 |
| 6-12 Months | 418 | 530 |
| 1-3 years | 2,101 | 2,539 |
| 3-5 years | 1,488 | 2,309 |
| Above 5 years | 9,026 | 10,128 |
| **Total** | **13,469** | **16,057** |
| **ii. The table below provides details regading of lease liabilites on undiscounted basis** | | |
| Before 3 months | 440 | 542 |
| 3-6 months | 435 | 545 |
| 6-12 months | 878 | 1,095 |
| 1-3 years | 3,688 | 4,474 |
| 3-5 years | 2,769 | 3,878 |
| Above 5 years | 64,907 | 66,812 |
| **Total** | **73,117** | **77,346** |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 22 Lease liabilities (Contd..)

### d. Other disclosure

₹ in Lakh

| Particulars | Note No | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|
| Depreciation charge for right-of-use assets by class of underlying asset | 36 | 1,336 | 1,315 |
| Interest expense on lease liabilities. | 35 | 986 | 908 |
| The expense relating to short-term leases including leaseswith a lease term of one month or less | 37 | 268 | 626 |
| Payment of lease liabilities | 22 | 1,771 | 1,680 |
| Total cash outflow for leases. | | 2,039 | 2,306 |
| Additions to right-of-use assets | 10 | - | 4,151 |
| Gains or (losses) arising from lease modification/closure | 31 | 247 | - |
| The carrying amount of right-of-use assets | 10 | 11,609 | 14,502 |

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. Lease contracts entered by the Company majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

iii. 6% to 9% of interest rate implicit in the lease or lessee's incremental borrowing rate used for the measurement of lease liabilities.

### III Disclosures for operating leases other than leases coverd in Ind AS 116

i. The Company has entered into cancellable operating leases and transactions for leasing of accommodation for factory building, service centre, office space, godown, transit house etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

ii. The Company has given its properties on lease to 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 Lakh

| Particulars | See Note | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **a. As a lessee -rent expenses** | | | |
| Factory building, godown, office space, service centre and transit house | 37 | 268 | 626 |
| **b. As a lessor -rent income (production facility charges)** | 30 | | |
| Factory building | | 279 | 117 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 23 Provisions

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A) Non current** | | |
| a. Provision for employee benefit | | |
| i. For gratuity (see note 45) | 1,158 | 1,060 |
| ii. For compensated absences | 91 | 80 |
| | **1,249** | **1,140** |
| **B) Current** | | |
| a. Provision for employee benefits | | |
| i. For gratuity (see note 45) | 160 | 188 |
| ii. For compensated absences | 25 | 23 |
| b. Provision for warranty (see note below) | 160 | 409 |
| | **345** | **620** |
| **Note:** | | |
| **Movement in provision for warranty** | | |
| Opening balance | 409 | 409 |
| Provision made during the year | 683 | 520 |
| Claim paid / adjustments during the year | 932 | 520 |
| **Closing provision** | **160** | **409** |

**Basis of warranty:**

The Company provides eighteen months warranty on lighting products and washing machines to specific customers. Lighting products are replaced with new product and in respect of washing machines, defective parts are changed/repaired.

## 24 Deferred tax liabilities (net)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. Deferred tax liability** | | |
| i. Difference between tax depreciation and depreciation/amortisation charged in financial statement | 5,332 | 5,986 |
| **b. Deferred tax assets** | | |
| i. Arising on account of timing differences in accrued expenses and provisions | 474 | 355 |
| ii. Lease liabilities | 3,390 | 4,041 |
| | **1,468** | **1,590** |

**Note:**

For deferred tax movement and tax reconciliation refer note 38.

## 25 Other liabilities

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A) Non Current** | | |
| a. Deferred grant (see note 'i' below) | 1,356 | 1,277 |
| | **1,356** | **1,277** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 25 Other liabilities (Contd..)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Note:** | | |
| i. Movement in deferred grant during the year: | | |
| **Deferred Grant:** | | |
| Balance at the beginning of the year | 1,277 | 1,405 |
| Capital grant recognised during the year | 247 | - |
| | **1,524** | **1,405** |
| Less: Depreciation pertaining to assets acquired from grant | 168 | 128 |
| | **1,356** | **1,277** |
| **B) Current** | | |
| a. Advances received from customers | 1,660 | 1,319 |
| b. Statutory dues | 4,302 | 4,169 |
| | **5,962** | **5,488** |

## 26 Short term borrowings

(at amortised cost)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. From Related parties (Unsecured)** | | |
| i. Dixon Global Private Limited (see note ‘I’) | 1,020 | 1,020 |
| ii. Padget Electronics Private Limited (see note ‘I’) | 3,500 | - |
| **b. Current maturities of long term borrowings (see note 'II' below)** | 1,514 | 1,263 |
| | **6,034** | **2,283** |

**Notes:**

I a. **Interest Rate:** The interest rate applicable to this borrowing is based on the SBI 3-month MCLR (Marginal Cost of Funds Based Lending Rate). The effective interest rate as on date is 8.20% per annum (previous year 8.10%).

b. **Term of borrowing-** The borrowing is repayable on-demand, which grants the lender the right to request repayment at any time.

II. For security clause and repayment terms of borrowings, refer note 21.

## 27 Trade payables

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Total outstanding dues of micro and small enterprises* | 1,819 | 6,423 |
| b. Total outstanding dues to creditors other than micro and small enterprises | 1,05,831 | 1,14,067 |
| | **1,07,650** | **1,20,490** |
| * For detailed disclosure of micro and small enterprises see note 41 | | |
| Trade payable to related parties (see note 49) | 3,170 | 3 |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 27 Trade payables (Contd..)

**Ageing for trade payables outstanding as at 31 March, 2024 is as follows:**

₹ in Lakh

| Particulars | Not due | Outstanding for the following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 1,819 | - | - | - | - | 1,819 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 97,253 | 6,075 | 64 | 37 | 104 | 1,03,533 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **99,072** | **6,075** | **64** | **37** | **104** | **1,05,352** |
| Accrued expenses | | | | | | 2,298 |
| | **99,072** | **6,075** | **64** | **37** | **104** | **1,07,650** |

**Ageing for trade payables outstanding as at 31 March, 2023 is as follows:**

₹ in Lakh

| Particulars | Not due | Outstanding for the following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 6,423 | - | - | - | - | 6,423 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,05,504 | 6,083 | 53 | 5 | 92 | 1,11,737 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **1,11,927** | **6,083** | **53** | **5** | **92** | **1,18,160** |
| Accrued expenses | - | - | - | - | - | 2,330 |
| | **1,11,927** | **6,083** | **53** | **5** | **92** | **1,20,490** |

## 28 Other financial liabilities

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Current** | | |
| a. Outstanding forward Marked to Market (MTM) | - | 53 |
| b. Unclaimed dividend | 2 | 1 |
| c. Interest accrued but not due on Borrowings | 24 | - |
| d. Payable for property, plant and equipment | 1,671 | 693 |
| | **1,697** | **747** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 29 Current tax liabilities

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Current tax liabilities (Net) | 267 | 934 |
| | **267** | **934** |

## 30 Revenue from operations

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Sale of products | 6,31,551 | 6,85,730 |
| b. Sale of services | 9,136 | 13,734 |
| c. Other operating revenues | 453 | 276 |
| | **6,41,140** | **6,99,740** |
| **Notes** | | |
| **A. Revenue from contracts with customers disaggregated based on nature of product or service** | | |
| **a. Revenue from sale of products** | | |
| Manufactured goods | 6,31,551 | 6,85,730 |
| | **6,31,551** | **6,85,730** |
| **b. Revenue from sale of services** | | |
| Sale of services | 1,002 | 511 |
| Job work charges | 8,134 | 13,223 |
| | **9,136** | **13,734** |
| **c. Other operating revenues** | | |
| Export incentives | 6 | 11 |
| Rent (production facility charges) | 279 | 117 |
| Other incentives | 168 | 148 |
| | **453** | **276** |
| **Total revenue from operations** | **6,41,140** | **6,99,740** |
| **B. Revenue from contracts with customers disaggregated based on geography** | | |
| a. Domestic | 6,40,527 | 6,98,987 |
| b. Exports | 613 | 753 |
| | **6,41,140** | **6,99,740** |
| **C. Reconciliation of gross revenue from contracts with customers** | | |
| Gross revenue from sale of products | 6,32,295 | 6,86,532 |
| Add: Cash discount and credit note etc | (744) | (802) |
| **Net revenue recognised from contracts with customers** | **6,31,551** | **6,85,730** |
| **D. Disclosure based on time** | | |
| Sale of products | | |
| Goods transferred at a point of time | 6,31,551 | 6,85,730 |
| | **6,31,551** | **6,85,730** |
| Sale of services and lease | | |
| Services transferred at a point of time | 9,415 | 13,851 |
| | **9,415** | **13,851** |
| **E. Export benefit and other incentives** | | |
| On systamatic basis when benefit accured | 174 | 159 |
| | **174** | **159** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 31 Other income

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **A. Interest income on:** | | |
| a. Fixed deposits with bank (margin money) | 14 | 46 |
| b. Loans to subsidiaries and joint ventures | 3,423 | 1,245 |
| c. Others | 27 | 14 |
| **B. Other non operating income** | | |
| a. Dividend received from investments carried at cost | - | 285 |
| b. Gain on lease modification/closure | 247 | - |
| c. Reversal of provision for impairment | - | 171 |
| d. Provision for doubtful debts / loans and advances written back | - | 3 |
| e. Gain on sale or fair value of mutual funds (at FVTPL) | 18 | 76 |
| f. Excess liabilities, credit balances, provisions etc. written back | - | 7 |
| | **3,729** | **1,847** |

## 32 Cost of materials consumed

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Raw materials at the beginning of the year | 30,189 | 45,304 |
| Add: Purchases (Including Components) | 5,63,018 | 5,99,980 |
| | **5,93,207** | **6,45,284** |
| Less: Raw materials at the end of the year | 27,992 | 30,189 |
| | **5,65,215** | **6,15,095** |

## 33 Changes in inventories of finished goods and work-in-progress

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Finished goods | 5,913 | 8,104 |
| Work in progress | 4,035 | 4,675 |
| | **9,948** | **12,779** |
| **Inventories at the end of the year** | | |
| Finished goods | 7,398 | 5,913 |
| Work in progress | 1,663 | 4,035 |
| | **9,061** | **9,948** |
| **Changes in inventories of finished goods and work in progress** | **887** | **2,830** |

## 34 Employee benefits expense

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Salaries, wages and bonus | 14,848 | 14,059 |
| b. Contribution to provident fund and other funds | 938 | 870 |
| c. Gratuity (see note 45) | 298 | 264 |
| d. Share based payments to employees (see note 48) | 959 | 1,182 |
| e. Staff welfare expenses | 1,792 | 2,007 |
| | **18,835** | **18,382** |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 35 Finance costs

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Interest on borrowings | 3,160 | 2,713 |
| b. Interest on lease obligation | 986 | 908 |
| c. Other borrowing cost | 2 | 1 |
| | **4,148** | **3,622** |

## 36 Depreciation and amortisation expense

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Depreciation on property, plant and equipment | 4,815 | 4,319 |
| b. Amortisation of intangible assets | 247 | 127 |
| c. Depreciation on right of use assets | 1,336 | 1,315 |
| | **6,398** | **5,761** |

## 37 Other expenses

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Consumption of stores and spares | 702 | 968 |
| b. Contractor wages and job work charges | 11,374 | 13,373 |
| c. Service charge | - | 201 |
| d. Power and fuel | 3,387 | 3,393 |
| e. Rent | 268 | 626 |
| f. Repairs and maintenance: | | |
| - for buildings | 43 | 82 |
| - for Plant and equipment | 191 | 139 |
| - for others | 458 | 341 |
| g. Insurance | 627 | 583 |
| h. Rates and taxes | 303 | 260 |
| i. Selling and distribution expenses | 3,273 | 2,952 |
| j. Donations to others | 7 | 5 |
| k. Director's sitting fees | 19 | 26 |
| l. Payment to auditors (refer note below) | 43 | 40 |
| m. Provision for doubtful debts and loans and advance | 87 | - |
| n. Bad debts and advances written off | - | 5 |
| o. Exchange fluctuations (net) | 21 | 331 |
| p. Loss on sale of property, plant and equipment (net) | 126 | 305 |
| q. Corporate social responsibility expenses (see note 46) | 480 | 382 |
| r. Bank charges | 215 | 309 |
| s. Miscellaneous expenses | 3,064 | 3,051 |
| | **24,688** | **27,372** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 37 Other expenses (Contd..)

**Note:**

Payment to auditors comprises:

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Statutory auditors** | | |
| Audit and limited reviews fees | 34 | 30 |
| Tax audit fees | 3 | 3 |
| Certification fees | - | 3 |
| Out of pocket expenses | 6 | 4 |
| | **43** | **40** |

## 38 Tax expense

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Current tax expense | 6,135 | 7,036 |
| Deferred tax benefit | (156) | 369 |
| | **5,979** | **7,405** |
| Income Tax for earlier years (net) | 153 | 5 |
| **Tax expenses for the year recognised in Profit and loss** | **6,132** | **7,410** |
| Tax expense recognised in other comprehensive income ('OCI') | (33) | 16 |
| | **(33)** | **16** |
| **Total** | **6,099** | **7,426** |
| **A. Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023** | | |
| Profit before tax | 24,698 | 28,525 |
| Applicable income tax rate | 25.17% | 25.17% |
| Estimated income tax expense | 6,216 | 7,179 |
| | | |
| **Tax effect of adjustments to reconcile expected income tax expense to reported** | | |
| Non taxable income/(expenses) | (121) | 136 |
| Income tax for earlier years | 153 | 5 |
| Others | (116) | 90 |
| **Income Tax expense in the Statement of Profit and Loss** | **6,132** | **7,410** |
| **B. Movement in the deferred tax liabilities (net):** | | |
| Deferred tax (net) | | |
| a. Deferred tax liability | 5,332 | 5,986 |
| b. Deferred tax assets | 3,864 | 4,396 |
| | **1,468** | **1,590** |

₹ in Lakh

| Particulars | As at 1 April, 2023 | Recognised in profit and loss | Recognised in other comprehensive income "OCI" | As at 31 March, 2024 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| - Difference between tax depreciation and depreciation/ amortisation charged in financial statement | 5,986 | (654) | - | 5,332 |
| | **5,986** | **(654)** | **-** | **5,332** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 38 Tax expense (Contd..)

₹ in Lakh

| Particulars | As at 1 April, 2023 | Recognised in profit and loss | Recognised in other comprehensive income "OCI" | As at 31 March, 2024 |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| - Provision for doubtful advances | 6 | 16 | - | 22 |
| - Provision for doubtful debts | 9 | 20 | - | 29 |
| - Provision for employee benefits | 340 | 116 | (33) | 423 |
| - Lease liabilities | 4,041 | (651) | - | 3,390 |
| | **4,396** | **(499)** | **(33)** | **3,864** |
| | **1,590** | **(156)** | **33** | **1,468** |

₹ in Lakh

| Particulars | As at 1 April, 2022 | Recognised in Profit and loss | Recognised in other comprehensive income "OCI" | As at 31 March, 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| - Difference between tax depreciation and depreciation/ amortisation charged in financial statement | 4,744 | 1,242 | - | 5,986 |
| | **4,744** | **1,242** | **-** | **5,986** |
| **Deferred tax assets** | | | | |
| - Provision for doubtful advances | 7 | (1) | - | 6 |
| - Provision for doubtful debts | 10 | (1) | - | 9 |
| - Provision for employee benefits | 292 | 32 | 16 | 340 |
| - Lease liabilities | 3,198 | 843 | - | 4,041 |
| | **3,507** | **873** | **16** | **4,396** |
| | **1,237** | **369** | **(16)** | **1,590** |

## 39 Contingent liabilities and commitments

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. Claims against the Company not acknowledged as debt** | | |
| **i. Disputed tax and other liabilities for:** | | |
| a. Income tax | 1,643 | 2,421 |
| b. Sales tax | 432 | 437 |
| c. Goods and service tax | 569 | 41 |
| d. Excise, custom duty and service tax | 2,124 | 2,124 |
| e. Other disputes | 18 | 18 |
| | **4,786** | **5,041** |
| **ii. Summary of amount paid under protest against above:** | | |
| a. Sales tax | 135 | 140 |
| b. Excise, custom duty and service tax* | 907 | 907 |
| c. Goods and service tax | 76 | 14 |
| | **1,118** | **1,061** |
| **b. Guarantees excluding financial guarantees** | | |
| i. 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) | 641 | 637 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 39 Contingent liabilities and commitments (Contd..)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **c. Other money for which the Company is contingently liable** | | |
| i. Corporate guarantees given to Banks on behalf of subsidiaries for purpose of financial assistance. | 5,18,630 | 2,05,800 |
| ii. Letters of Credit (outstanding) | 7,641 | 21,663 |
| iii. Bill discounting with banks | 8,110 | 7,348 |
| iv. a) Bond given to custom department on behalf of the joint venture company | 100 | 100 |
| b) Bond given to custom department on behalf of the subsidiary company | 6,100 | 1,600 |
| c) Bond given to custom department under authorised economic operator | 539 | 1,107 |

The Company has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Company.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

* Search was conducted by Directorate of Revenue Intelligence (DRI) at company's premises on 20 December, 2021. During investigation, questions were raised on interpretation issue on classification on import of goods. To avoid unnecessary business interruption, the company had decided to make an deposit of ₹ 700 lakh (previous year ₹ 700 lakh) under protest. The Company has received a show cause notice and is in the process of filing a reply with the authorities. The management is of the opinion that the Company is in compliance of law and the Company has strong chances of success against any dispute/demand and no liability will arise.

### d. Capital commitments:

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided | 10,185 | 610 |

**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.

## 40 Assets pledged as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are :

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Current assets:** | | |
| **Financial assets** | | |
| Trade receivables (net) | 90,687 | 93,066 |
| Inventories (excluding in transit) | 37,053 | 40,137 |
| **Total current assets mortgaged as security** | **1,27,740** | **1,33,203** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 40 Assets pledged as security (Contd..)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Non-current:** | | |
| Land (Freehold and leasehold) | 366 | 366 |
| Buildings | 2,585 | 2,367 |
| Plant and machinery and others | 38,818 | 34,879 |
| **Total non-currents assets mortgaged as security** | **41,769** | **37,612** |
| **Total assets mortgaged as security** | **1,69,509** | **1,70,815** |

## 41 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year | | |
| - Principal amount | 1,819 | 6,423 |
| - interest due | - | - |
| b. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d. the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006 | - | - |

The information of Micro, Small and Medium Enterprises have been disclosed to the extent information is available with the Company, the same have been relied upon by the auditors.

## 42 Earnings per share ("EPS")

₹ in Lakh

| Particulars | Units | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **a. Basic EPS** | | | |
| Profit for the year | ₹ in Lakh | 18,566 | 21,115 |
| Weighted average number of equity shares outstanding | No's | 5,96,61,976 | 5,94,22,005 |
| Face value of per share | ₹ | 2 | 2 |
| Basic earnings per share | ₹ | 31.12 | 35.53 |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 42 Earnings per share ("EPS") (Contd..)

₹ in Lakh

| Particulars | Units | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **b. Diluted EPS** | | | |
| Profit for the year | ₹ in Lakh | 18,566 | 21,115 |
| Weighted average number of equity shares for calculation of diluted EPS (See note below) | No's | 6,00,22,586 | 5,98,53,182 |
| Face value of per share | ₹ | 2 | 2 |
| Diluted Earnings per share | ₹ | 30.93 | 35.27 |
| **Note:** | | | |
| The weighted average number of equity shares for the purpose of diluted earnings per share: | | | |
| Weighted average number of equity shares outstanding | No's | 5,96,61,976 | 5,94,22,005 |
| Weighted average number of potential equity shares on exercise of stock option | No's | 3,60,610 | 4,31,177 |
| **Weighted average number of equity shares for calculation of diluted earnings per share** | **No's** | **6,00,22,586** | **5,98,53,182** |

## 43 Details of research and development expenditure

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **a. Revenue expenditure** | | |
| Cost of materials consumed | 161 | 169 |
| Employee benefits expense | 694 | 444 |
| Depreciation and amortisation expense | 115 | 43 |
| Other expenses | 240 | 104 |
| | **1,210** | **760** |
| **b. Capital expenditure** | | |
| Purchase of property, plant and equipment | 429 | 542 |
| | **429** | **542** |

The expenditure on research and development activities are included in respective head of expenses as presented in the standalone financial statements.

## 44 Financial instruments

### a. Categories of financial instruments

The carrying amount of the Company's financial instruments is as below:

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Financial asset** | | |
| **I Measured at cost** | | |
| i. Investments in subsidiaries and jointly controlled entities | 12,272 | 10,620 |
| **II Measured at amortised cost** | | |
| i. Other financial assets | | |
| - Non-current | 2,205 | 2,195 |
| - Current | 303 | 2,518 |
| ii. Trade receivables | 90,687 | 93,066 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| iii. Cash and cash equivalents | 1,979 | 4,400 |
| iv. Other bank balances | 203 | 521 |
| v. Loans | | |
| - Non current | 45,170 | 24,581 |
| - Current | 407 | 2,930 |
| **III Measured at fair value through Profit and Loss (FVTPL)** | | |
| i. Investments | | |
| - Non current | 154 | 154 |
| - Current | - | 3,000 |
| ii. Outstanding forward Marked to Market (MTM) | 41 | - |

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Financial liabilities** | | |
| **I Measured at fair value through Profit and Loss (FVTPL)** | | |
| i. Outstanding forward Marked to Market (MTM) | - | 53 |
| **II Measured at amortised cost** | | |
| i. Borrowings | | |
| - Non current | 4,425 | 5,939 |
| - Current (including current maturities of long term borrowings) | 6,034 | 2,283 |
| ii. Lease Liability | | |
| - Non current | 12,615 | 14,976 |
| - Current | 854 | 1,081 |
| iii. Trade payables | 1,07,650 | 1,20,490 |
| iv. Other current financial liabilities | 1,697 | 694 |

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

**Level I:** includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level II:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

**Level III:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset are included in level 3.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

ii. The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value

iii. The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.

iv. The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. As at 31 March 2024, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

### b. Fair value hierarchy

The disclosure of the financial instruments measured at fair value and valuation technique are as follows:

₹ in Lakh

| Particulars | Fair value hierarchy | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|
| **Financials assets** | | | |
| Outstanding forward contracts (MTM,FVTPL) | Level II | 41 | - |
| Investments in mutual fund | Level I | - | 3,000 |
| Investments in equity shares | Level III | 154 | 154 |
| **Financials liabilities** | | | |
| Outstanding forward contracts (MTM,FVTPL) | Level II | - | 53 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

### c. Financials risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, lease liabilities and other financial liabities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investment loans, trade and other receivables,cash and cash equivalents and other financial assets that derive directly from its operations

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

### d. Financial risk management

The Company's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

#### A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes

##### I. 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

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 Lakh

| Particulars | | As at 31 March, 2024 | | | As at 31 March, 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Total | Hedged | Unhedged | Total | Hedged | Unhedged |
| Payables | In USD / Lakh | 516 | 140 | 376 | 518 | 133 | 385 |
| | In CNY / Lakh | 628 | - | 628 | 713 | - | 713 |
| | In JPY/Lakh | 1,088 | - | 1,088 | 670 | - | 670 |
| | In ₹ in Lakh | 50,863 | 11,645 | 39,218 | 51,546 | 10,921 | 40,625 |
| Receivables | In USD / Lakh | 1 | - | 1 | 2 | - | 2 |
| | In ₹ in Lakh | 107 | - | 107 | 154 | - | 154 |

### i. Foreign currency risk exposure (unhedged only)

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Financial assets | 107 | 154 |
| Financial liabilities | 39,218 | 40,625 |
| **Net exposure (liabilities)** | **39,111** | **40,471** |

### ii. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Impact on profit or loss for the year | 391 | 405 |
| Impact on total equity as at the end of reporting year | 293 | 303 |

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables by the Company at the end of the reporting period. Impact on profit for the year are gross of tax.

### II. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for ch anges in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings

The following table provides a break-up of the Company's fixed and floating rate borrowings:

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

### a. Interest rate risk exposure

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Variable rate borrowings | 10,359 | 7,082 |
| Fixed rate borrowings | 100 | 1,140 |
| **Total borrowings** | **10,459** | **8,222** |

### b. Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows:

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Impact on profit or loss for the year | 104 | 71 |
| Impact on total equity as at the end of reporting year | 78 | 53 |

Impact on profit for the year are gross of tax and impact on total equity is net of tax

### III. Other price risks

The Company is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities are held for strategic rather than trading purposes. The Company does not actively trade these investments.

#### Equity price sensitivity analysis

Company has invested mostly in subsidiries and joint venture. Hence no amount recognised in the statement of profit and loss as all amount of investment are carried at cost

### B Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure to customers is diversified and two customers contributes to more than 10% of outstanding trade receivable.

**Reconciliation of loss allowance provision**

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Opening balance | 34 | 38 |
| Additional provision made | 80 | - |
| Reversal of provision during the year | - | 3 |
| Provision adjusted against the amount written off | - | 1 |
| **Closing provision** | **114** | **34** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

The provision for loss allowances of trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

### C Liquidity risk management

a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b. The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**Maturities of financial liabilities**

₹ in Lakh

| As on 31 March, 2024 | 0-12 Months | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Non Derivative** | | | | | |
| Long term borrowings | - | 3,196 | 1,229 | - | 4,425 |
| Short term borrowings including current maturities of long term debt | 6,034 | - | - | - | 6,034 |
| Trade payables | 1,07,650 | - | - | - | 1,07,650 |
| Lease liability | 854 | 2,101 | 1,488 | 9,026 | 13,469 |
| Other financial liabilities | 1,697 | - | - | - | 1,697 |

₹ in Lakh

| As on 31 March, 2023 | 0-12 Months | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Non Derivative** | | | | | |
| Long term borrowings | - | 3,184 | 2,580 | 175 | 5,939 |
| Short term borrowings including current maturities of long term debt | 2,283 | - | - | - | 2,283 |
| Trade payables | 1,20,490 | - | - | - | 1,20,490 |
| Lease liability | 1,081 | 2,539 | 2,309 | 10,128 | 16,057 |
| Other financials liabilities | 694 | - | - | - | 694 |

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.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

Maturities of financial assets

₹ in Lakh

| As on 31 March, 2024 | 0-12 Months | 1-3 years | 3-5 years | More than 5 year | Total |
|---|---|---|---|---|---|
| **Non derivative** | | | | | |
| Other financial assets | | | | | |
| - Current | 303 | - | - | - | 303 |
| - Non- current | - | 2,205 | | | 2,205 |
| Investments | - | - | - | 12,426 | 12,426 |
| Trade receivables | 90,687 | - | - | - | 90,687 |
| Cash and cash equivalents | 1,979 | - | - | - | 1,979 |
| Bank balances other than cash and cash equivalent | 203 | - | - | - | 203 |
| Loans | | | | | |
| - Current | 407 | - | - | - | 407 |
| - Non current | 4,800 | 9,600 | 9,600 | 21,170 | 45,170 |

₹ in Lakh

| As on 31 March, 2023 | 0-12 Months | 1-3 years | 3-5 years | More than 5 year | Total |
|---|---|---|---|---|---|
| **Non derivative** | | | | | |
| Other financial assets | | | | | |
| - Current | 2,518 | - | - | - | 2,518 |
| - Non- current | - | 2,195 | - | - | 2,195 |
| Investments | 3,000 | - | - | 10,774 | 13,774 |
| Trade receivables | 93,066 | - | - | - | 93,066 |
| Cash and cash equivalents | 4,400 | - | - | - | 4,400 |
| Bank balances other than cash and cash equivalent | 521 | - | - | - | 521 |
| Loans | | | | | |
| - Current | 2,930 | | | | 2,930 |
| - Non current | 400 | 9,600 | 9,600 | 4,981 | 24,581 |

### e. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 44 Financial instruments (Contd..)

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and current investments.

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Net debt** | | |
| a. Borrowings | | |
| - Non current | 4,425 | 5,939 |
| - Current (including current maturities of long term debt) | 6,034 | 2,283 |
| | **10,459** | **8,222** |
| b. Cash and cash equivalents | 1,979 | 4,400 |
| c. Current investments | - | 3,000 |
| | **1,979** | **7,400** |
| **Net debt** | **8,480** | **822** |
| **Total equity** | **1,39,430** | **1,16,640** |
| **Net debt to equity ratio** | **6.08%** | **0.70%** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

## 45 Employee benefit obligations

### a. Defined Contribution Plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Contribution to provident fund and other funds** | | |
| a. Contribution to provident fund | 820 | 765 |
| b. Contribution to employee state insurance | 30 | 41 |
| c. Contribution to national pension scheme | 88 | 64 |
| | **938** | **870** |

### b. Defined benefits plan

**Gratuity:** The Company provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The resent value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 45 Employee benefit obligations (Contd..)

### (i) Principal actuarial assumptions

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Future salary increase | 6.00% | 6.00% |
| Discount rate | 7.23% | 7.36% |
| Mortality rates | 100% of IALM (2012-14) | 100% of IALM (2012-14) |
| Attributes of ages: withdrawal rate (%) | | |
| up to 30 years | 3.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |
| Retirement age (years) | 58 | 58 |

### (ii) Amount recognised in the Statement of Profit and Loss

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Current service cost | 206 | 187 |
| Net interest cost | 92 | 77 |
| **Expense recognised in the statement of profit and loss** | **298** | **264** |

### (iii) Amount recognised in Other Comprehensive Income (OCI)

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | 17 | (20) |
| Actuarial (gains) / losses arising from experience adjustments | (151) | 86 |
| **Amount recognised in other comprehensive income** | **(134)** | **66** |

**Notes:**

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the statement of profit and loss.

ii. The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

iii. The Company gratuity scheme is unfunded.

### (iv) Movements in the present value of the defined benefit obligation:

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Liability at the beginning of the year** | **1,248** | **1,077** |
| Interest Costs | 92 | 77 |
| Current Service Costs | 206 | 187 |
| Benefits paid | (94) | (159) |
| Actuarial (Gain)/Loss on obligations due to change in Obligation | (134) | 66 |
| **Liability at the end of the year** | **1,318** | **1,248** |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 45 Employee benefit obligations (Contd..)

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Provision for gratuity | | |
| - Non-Current | 1,158 | 1,060 |
| - Current | 160 | 188 |
| | **1,318** | **1,248** |

### (v) Experience Adjustments

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2021 | Year ended 31 March, 2020 |
|---|---|---|---|---|---|
| Present value of DBO | 1,318 | 1,248 | 1,077 | 875 | 693 |
| Fair value of plan assets | - | - | - | - | - |
| Funded status | - | - | - | - | - |
| Gain/(loss) on obligation | 134 | (66) | (14) | (7) | (67) |
| Gain/(loss) on plan assets | - | - | - | - | - |

### (vi) Sensitivity Analysis

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A. Impact of the change in discount rate** | | |
| Present Value of Obligation at the end of the year | 1,318 | 1,248 |
| Impact due to increase of 0.50 % | (65) | (58) |
| Impact due to decrease of 0.50 % | 71 | 63 |
| **B. Impact of the change in salary increase** | | |
| Present Value of Obligation at the end of the year | 1,318 | 1,248 |
| Impact due to increase of 0.50 % | 66 | 59 |
| Impact due to decrease of 0.50 % | (61) | (56) |

**Notes:**

i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.

ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

iii. The above sensitivity analysis are without giving the impact of tax.

### (vii) Maturity Profile of Defined Benefit Obligation

₹ in Lakh

| Financial year | Amount |
|---|---|
| Within 1 year | 160 |
| Between 1 to 5 years | 232 |
| Above 5 years | 926 |
| | **1,318** |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 45 Employee benefit obligations (Contd..)

**Description of Actuarial Risk Exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

a. Salary Increases: Change in rate of future salary increase in subsequent years will result in higher liability.

b. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

c. Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact Plan's liability.

### C. Actuarial assumptions for compensated absences are as below:

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| i. Discounting rate | 7.23% | 7.36% |
| ii. Future increase salary | 6.00% | 6.00% |

Liability for compensated absences is recognised on the basis of actuarial valuation as per Projected Unit Credit Method

## 46 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of average net profit of the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The nature of CSR activities identified are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and environment sustainability. The Company has formed a CSR committee as per the Act.

### (i) The amount spent by the Company on CSR activates is as below:

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| A. Gross amount required to be spent by the Company (include unspent amount of previous year) | 480 | 382 |
| **Total (A)** | **480** | **382** |
| B. Amount spent by the company: | | |
| **a. Expenditure/payments** | | |
| i. Saint Hardyal Educational and Orphans Welfare Society (SHEOWS) | 50 | 35 |
| ii. Jan Madhyam | 20 | 18 |
| iii. Nav Abhiyan | 10 | 10 |
| iv. Purkal Youth Development Society | 28 | 26 |
| v. *PM Cares fund pertains to FY 2021-22 | - | 2 |
| vi. Labhya Foundation | 40 | 30 |
| vii. Bansividya Memorial Trust | 15 | 10 |
| viii. Isha Foundation | - | 10 |
| ix. Mahavir Foundation Trust | 10 | 10 |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 46 Corporate Social Responsibility (Contd..)

₹ in Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| x. PHD Rural Development Foundation | - | 6 |
| xi. Rotary Club South end | - | 20 |
| xii. Reimagining Higher Education Foundation | 260 | 153 |
| xiii Latika Roy Memorial foundation | 22 | - |
| xiv Utkarsh Global Foundation | 10 | - |
| xv Teach to lead | - | 50 |
| xvi Chinmaya organisation for rural development | 5 | - |
| xvii Etasha Society | 5 | - |
| xviii Sapna | 5 | - |
| **Total (a)** | **480** | **380** |
| i Repair to school (b) | **-** | **4** |
| **Total expenditure (a)+(b)** | **480** | **384** |
| C. Shortfall at the end of the year | - | - |

There is no payment made to related parties

### (ii) Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Balance as at the beginning of the year** | - | - |
| Amount required to be spent during the period | 480 | 382 |
| Amount deposited in a specified fund of Schedule VII of the Act with in 6 months | - | (2) |
| Amount spent during the year | 480 | 384 |
| **Shortfall/(excess) as at the closing of the year** | **-** | **-** |

### (iii) Details of excess CSR expenditure under section 135(5) of the Act

₹ in Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Balance excess spent as at the beginning of the year** | - | - |
| Amount required to be spent during the period | - | - |
| Amount spent during the year | - | - |
| **Shortfall/(excess) as at the closing of the year** | **-** | **-** |

*Form CSR-1 was not provided by the Champa Devinder Dhingra Trust . Hence, the said amount of ₹ 2 lakhs has been transferred to PM Cares Fund in accordance with the provision of section 135 (5) of the companies act, 2013.

## 47 Segment Reporting

The Chief Operating Decision Maker (CODM) comprises of the Board of Directors ,Vice Chairman and Managing Director and Chief Financial Officer which examines the Company's performance on the basis of single operating segment Electronics Goods. Accordingly segment disclosure has not been made.

Revenue from two customers (Previous year two customers) of the Company represented approximately 50% (Previous year 48%) of the total revenue.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 48 Employee Stock Option Plan

**A.** The company previously had 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 and its joint ventures companies. The board of directors recommended the establishment of the Dixon ESOP 2018 and Dixon ESOP 2020 to the shareholders on 26th May, 2018 and 22nd August, 2020 respectively and shareholders approved the recommendations of the Board of Directors in Annual General Meeting held on 25th July, 2018 and 29th September, 2020 respectively. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2018 and Dixon ESOP 2020 was 5,00,000 equity shares and 3,00,000 Equity Shares respectively. Further, effective 19th March, 2021, the equity shares of the Company have been splitted from 1 equity share of ₹ 10/- each to 5 equity shares of ₹ 2/- each, therefore, the aforementioned numbers of equity shares have been adjusted accordingly in the below table. Under Dixon ESOP 2018, the company has approved 4 grants vide its meeting held on 31st October, 2018 , 13th November, 2019, 04th August, 2020 and 25th March, 2022 and under Dixon ESOP 2020 has approved 4 grants vide its meeting held on 30th October, 2020, 20th October, 2022, 06th February, 2023 and 26th October, 2023. As per the plan, option granted under Dixon ESOP 2018 would vest in not less than one year and not more than 4 years from the date of grant of such options and the options granted under Dixon ESOP 2020 would vest in not less than one year and not more than 5 years from the date of grant of such options. Both the Plans are Equity Settled Plans. Further, the Company laid down Dixon Technologies (India) Limited — Employees Stock Option Plan, 2023 ("DIXON ESOP 2023") which provides for the grant of equity shares of the company to the eligible employees of the Company and its subsidiary companies including its joint venture companies, in accordance with board of directors approval dated 26th October, 2023 and members approval accorded through Postal Ballot dated 03rd December, 2023. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2023 is 20,00,000 Equity Shares. The In-principle approval of the said scheme was duly received by the Company on 20th March, 2024.

| Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|
| | Grant IV | Grant-I | Grant II | Grant- III | Grant-IV | Grant-I |
| Date of Grant | 25-Mar-22 | 30-Oct-20 | 20-Oct-22 | 06-Feb-23 | 26-Oct-23 | 21-Mar-24 |
| Date of Share holders Approval | 25-Jul-18 | 29-Sep-20 | 29-Sep-20 | 29-Sep-20 | 29-Sep-20 | 03-Dec-23 |
| Date of Board of Directors Approval / Committee | 26-May-18 | 22-Aug-20 | 22-Aug-20 | 22-Aug-20 | 22-Aug-20 | 26-Oct-23 |
| No. of Option | 26,500 | 15,00,000 | 1,66,500 | 41000 | 23,000 | 20,00,000 |
| Method of settlement (Cash/Equity) | Equity | Equity | Equity | Equity | Equity | Equity |
| Vesting Period | 25-Mar-23 | 30-Oct-21 | 21-Oct-23 | 07-Feb-24 | 27-Oct-24 | 21-Mar-25 |
| | 25-Mar-24 | 30-Oct-22 | 21-Oct-24 | 07-Feb-25 | 27-Oct-25 | 21-Mar-26 |
| | 25-Mar-25 | 30-Oct-23 | 21-Oct-25 | 07-Feb-26 | 27-Oct-26 | 21-Mar-27 |
| | - | 30-Oct-24 | 21-Oct-26 | 07-Feb-27 | 27-Oct-27 | - |
| | - | 30-Oct-25 | 21-Oct-27 | 07-Feb-28 | 27-Oct-28 | - |
| Exercise Price (Per Share ₹) | 3,458.52 | 1,538.26 | A. 75,000 equity shares @ ₹ 2,563.59<br>B. 25,000 equity shares @ ₹ 2,777.22<br>C. 66,500 equity shares @ ₹3,631.75 | 2,617.67 | 4,628.76 | 5909.46 |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 48 Employee Stock Option Plan (Contd..)

| Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|
| | Grant IV | Grant-I | Grant II | Grant- III | Grant-IV | Grant-I |
| 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 6 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. | 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. | 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. | 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. |
| Ext. of Exercise Period | None | None | None | None | None | None |

| Particulars | 31 March 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | | | Dixon ESOP 2023 |
| | Grant IV | Grant I | Grant II | | | Grant III | Grant IV | Grant I |
| | | | A | B | C | | | |
| **1 Outstanding at the beginning** | | | | | | | | |
| - Shares arising out of options | 22,500 | 6,50,430 | 75,000 | 25,000 | 66,500 | 41,000 | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 | - | - |
| **2 New option granted during the year** | | | | | | | | |
| - Shares arising out of options | - | - | - | - | - | - | 23,000 | 20,00,000 |
| - Weighted average exercise price | - | - | - | - | - | - | 4,629 | 5,909 |
| **3 Forfeited and expired** | | | | | | | | |
| - Shares arising out of options | 1,500 | 9,040 | - | 16,000 | 42,500 | 1,000 | 4,000 | - |
| - Weighted average exercise price | 3,459 | 1,538 | - | 2,777 | 3,632 | 2,618 | 4,629 | - |
| **4 Options Exercised during the year** | | | | | | | | |
| - Shares arising out of options | 6,300 | 2,15,530 | 15,000 | 5,000 | 11,800 | 7,800 | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 | - | - |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 48 Employee Stock Option Plan (Contd..)

| Particulars | 31 March 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | | | Dixon ESOP 2023 |
| | Grant IV | Grant I | Grant II | | | Grant III | Grant IV | Grant I |
| | | | A | B | C | | | |
| **5 Outstanding at the end** | | | | | | | | |
| - Shares arising out of options | 8,400 | 4,25,860 | 60,000 | 4,000 | 11,200 | 32,000 | 19,000 | 20,00,000 |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 | 4,629 | 5,909 |
| **6 Exercisable at the end** | | | | | | | | |
| - Shares arising out of options | 6,300 | - | - | - | 1,000 | 200 | - | - |
| - Weighted average exercise price | 3,459 | - | - | - | 3,632 | 2,618 | - | - |

| Particulars | 31 March 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | |
| | | | Grant II | | | |
| | Grant IV | Grant I | A | B | C | Grant III |
| **1 Outstanding at the beginning** | | | | | | |
| - Shares arising out of options | 26,500 | 8,84,920 | - | - | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | - | - | - | - |
| **2 New option granted during the year** | | | | | | |
| - Shares arising out of options | - | - | 75,000 | 25,000 | 66,500 | 41,000 |
| - Weighted average exercise price | - | - | 2,564 | 2,777 | 3,632 | 2,618 |
| **3 Forfeited and expired** | | | | | | |
| - Shares arising out of options | 4,000 | 16,260 | - | - | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | - | - | - | - |
| **4 Options Exercised during the year** | | | | | | |
| - Shares arising out of options | - | 2,18,230 | - | - | - | - |
| - Weighted average exercise price | - | 1,538 | - | - | - | - |
| **5 Outstanding at the end** | | | | | | |
| - Shares arising out of options | 15,750 | 6,50,430 | 75,000 | 25,000 | 66,500 | 41,000 |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 |
| **6 Exercisable at the end** | | | | | | |
| - Shares arising out of options | 6,750 | - | - | - | - | - |
| - Weighted average exercise price | 3,459 | - | - | - | - | - |

* Fair value of option is based on the valuation report of option.

**B.** The company has implemented an Employee Stock Option Plan (ESOP) for employees working in its subsidiary and joint ventures companies. These ESOPs are being offered at a discounted price. Furthermore, the company intends to reclaim the ESOP discounts given to subsidiary employees from the respective subsidiaries.

**C.** Grant I, II, and III of the Dixon ESOP 2018 are fully excerised, and there are no outstanding shares available for exercise in this scheme.

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 49 Related party disclosures

### a. List of related parties

#### i. Subsidiary Companies

a. Dixon Global Private Limited

b. Padget Electronics Private Limited

c. Dixon Electro Appliances Private Limited

d. Dixon Technologies Solutions Private Limited

e. Dixon Electro Manufacturing Private Limited

f. Dixtel Communications Private Limited (Incorporated as subsidiary on 22 February,2023)

g. Dixon Infotech Private Limited (incorporated as subsidiary on 25 August, 2023)

h. Dixtel Infocom Private Limited (incorporated as subsidiary on 20 September, 2023)

i. Califonix Tech and Manufacturing Private Limited (Incorporated on 27 April,2022) (joint venture as at 31 March, 2023)

#### ii. Joint Venture Company

a. AIL Dixon Technologies Private Limited

b. Rexxam Dixon Electronics Private Limited

#### iii. Key Managerial Personnel

| | | |
|---|---|---|
| a. | Mr. Sunil Vachani | Chairman |
| b. | Mr. Atul B. Lall | Vice Chairman and Managing Director |
| c. | Mr. Manuji Zarabi | Non Executive Independent Director |
| d. | Ms. Poornima Shenoy | Non Executive Independent Director |
| e. | Mr. Manoj Maheshwari | Non Executive Independent Director |
| f. | Mr. Keng Tsung Kuo | Non Executive Independent Director |
| g. | Mr. Rakesh Mohan | Non Executive Independent Director |
| h. | Mr. Arun Seth | Non Executive Independent Director |
| i. | Mr. Saurabh Gupta | Chief Finance Officer (CFO) |
| j. | Mr. Ashish Kumar | Company Secretary |

#### iv. Close member of key managerial personnel

| | | |
|---|---|---|
| a. | Mr. Prithvi Vachani | Project Manager (Son of Chairman) |

#### v. Entities over which executive directors or relatives are able to exercise control/significant influence

a. Light House Partners

b. Topline Electronics Private Limited

c. Smartice LLP

d. Smartice Private Limited

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

### b. Transactions /balances outstanding with related parties

₹ in Lakh

| Particulars | Subsidiaries | | Joint Venture | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| **A. Transactions during the year** | | | | | | | | | | |
| **Investment in equity shares** | **1,652** | **10** | **-** | **505** | **-** | **-** | **-** | **-** | **1,652** | **515** |
| Dixon Infotech Private Limited | 1 | - | - | - | - | - | - | - | 1 | - |
| Dixtel Infocom Private Limited | 1 | - | - | - | - | - | - | - | 1 | - |
| Califonix Tech and Manufacturing Private Limited | 1,650 | - | - | 505 | - | - | - | - | 1,650 | 505 |
| Dixtel Communications Private Limited | - | 10 | - | - | - | - | - | - | - | 10 |
| **Investment in Preference Share Instrument** | **-** | **918** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **918** |
| Dixon Electro Appliances Private Limited | - | 918 | - | - | - | - | - | - | - | 918 |
| **Interest income** | **3,409** | **1,244** | **14** | **1** | **-** | **-** | **-** | **-** | **3,423** | **1,245** |
| Padget Electronics Private Limited | 1,043 | 841 | - | - | - | - | - | - | 1,043 | 841 |
| AIL Dixon Technologies Private Limited | - | - | 14 | - | - | - | - | - | 14 | - |
| Dixon Electro Appliances Private Limited | 211 | 20 | - | - | - | - | - | - | 211 | 20 |
| Dixon Electro Manufacturing Private Limited | 1,845 | 340 | - | - | - | - | - | - | 1,845 | 340 |
| Dixon Technologies Solutions Private Limited | 310 | 43 | - | - | - | - | - | - | 310 | 43 |
| Rexxam Dixon Electronics Private Limited | - | - | - | 1 | - | - | - | - | - | 1 |
| **Dividend Income** | **-** | **-** | **-** | **285** | **-** | **-** | **-** | **-** | **-** | **285** |
| AIL Dixon Technologies Private Limited | - | - | - | 285 | - | - | - | - | - | 285 |
| **Finance cost** | **172** | **9** | **-** | **-** | **-** | **-** | **-** | **-** | **172** | **9** |
| Padget Electronics Private Limited | 89 | 4 | - | - | - | - | - | - | 89 | 4 |
| Dixon Global Private Limited | 83 | 5 | - | - | - | - | - | - | 83 | 5 |

# Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiaries | | Joint Venture | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| **Sale of services** | **881** | **247** | **192** | **166** | **-** | **-** | **-** | **-** | **1,073** | **413** |
| Dixon Electro Appliances Private Limited | 142 | 147 | - | - | - | - | - | - | 142 | 147 |
| Dixon Electro Manufacturing Private Limited | 236 | 100 | - | - | - | - | - | - | 236 | 100 |
| Dixon Technologies Solutions Private Limited | 28 | - | - | - | - | - | - | - | 28 | - |
| Califonix Tech and Manufacturing Private Limited | 118 | - | - | - | - | - | - | - | 118 | - |
| Padget Electronics Private Limited | 354 | - | - | - | - | - | - | - | 354 | - |
| Dixon Global Private Limited | 3 | - | - | - | - | - | - | - | 3 | - |
| Rexxam Dixon Electronics Private Limited | - | - | 50 | 24 | - | - | - | - | 50 | 24 |
| AIL Dixon Technologies Private Limited | - | - | 142 | 142 | - | - | - | - | 142 | 142 |
| **Service charges paid** | **-** | **-** | **-** | **-** | **-** | **-** | **3** | **1** | **3** | **1** |
| Smartice LLP | - | - | - | - | - | - | - | 1 | - | 1 |
| Smartice Private Limited | - | - | - | - | - | - | 3 | - | 3 | - |
| **Sale of goods** | **14,155** | **15,340** | **853** | **19,353** | **-** | **-** | **27** | **68** | **15,035** | **34,761** |
| Dixon Global Private Limited | 4,138 | - | - | - | - | - | - | - | 4,138 | - |
| Dixon Electro Appliances Private Limited | 198 | 3,997 | - | - | - | - | - | - | 198 | 3,997 |
| Dixon Electro Manufacturing Private Limited | 252 | - | - | - | - | - | - | - | 252 | - |
| Dixon Technologies Solutions Private Limited | 9,359 | 27 | - | - | - | - | - | - | 9,359 | 27 |
| Califonix Tech and Manufacturing Private Limited | 172 | - | - | - | - | - | - | - | 172 | - |
| Padget Electronics Private Limited | 36 | 11,316 | - | - | - | - | - | - | 36 | 11,316 |
| AIL Dixon Technologies Private Limited | - | - | 97 | 23 | - | - | - | - | 97 | 23 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiaries | | Joint Venture | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| Rexxam Dixon Electronics Private Limited | - | - | 756 | 19,330 | - | - | - | - | 756 | 19,330 |
| Topline Electronics Private Limited | - | - | - | - | - | - | 27 | 68 | 27 | 68 |
| **Purchase of raw material** | **25,321** | **26** | **158** | **2,894** | **-** | **-** | **-** | **-** | **25,479** | **2,920** |
| Dixon Global Private Limited | 2 | 14 | - | - | - | - | - | - | 2 | 14 |
| Padget Electronics Private Limited | 12 | 12 | - | - | - | - | - | - | 12 | 12 |
| Califonix Tech and Manufacturing Private Limited | 3 | - | - | - | - | - | - | - | 3 | - |
| Dixon Technologies Solutions Private Limited | 25,304 | - | - | - | - | - | - | - | 25,304 | - |
| AIL Dixon Technologies Private Limited | - | - | 157 | 284 | - | - | - | - | 157 | 284 |
| Rexxam Dixon Electronics Private Limited | - | - | 1 | 2,610 | - | - | - | - | 1 | 2,610 |
| **Job work charges income** | **-** | **-** | **-** | **59** | **-** | **-** | **-** | **-** | **-** | **59** |
| Rexxam Dixon Electronics Private Limited | - | - | - | 49 | - | - | - | - | - | 49 |
| AIL Dixon Technologies Private Limited | - | - | - | 10 | - | - | - | - | - | 10 |
| **Job work charges expense** | **-** | **48** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **48** |
| Padget Electronics Private Limited | - | 48 | - | - | - | - | - | - | - | 48 |
| **Sale of Property, plant and equipment** | **619** | **130** | **138** | **230** | **-** | **-** | **-** | **-** | **757** | **360** |
| Dixon Electro Appliances Private Limited | 117 | 127 | - | - | - | - | - | - | 117 | 127 |
| Dixon Electro Manufacturing Private Limited | 1 | - | - | - | - | - | - | - | 1 | - |
| Califonix Tech and Manufacturing Private Limited | 2 | - | - | - | - | - | - | - | 2 | - |
| Dixon Technologies Solutions Private Limited | 120 | - | - | - | - | - | - | - | 120 | - |
| AIL Dixon Technologies Private Limited | - | - | 21 | - | - | - | - | - | 21 | - |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiaries | | Joint Venture | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| Padget Electronics Private Limited | 379 | 3 | - | - | - | - | - | - | 379 | 3 |
| Rexxam Dixon Electronics Private Limited | - | - | 117 | 230 | - | - | - | - | 117 | 230 |
| **Purchase of Property, plant and equipment** | **-** | **255** | **19** | **-** | **-** | **-** | **-** | **-** | **19** | **255** |
| Padget Electronics Private Limited | - | 255 | - | - | - | - | - | - | - | 255 |
| AIL Dixon Technologies Private Limited | - | - | 19 | - | - | - | - | - | 19 | - |
| **Rent income including goods and service tax** | **150** | **9** | **129** | **100** | **-** | **-** | **-** | **-** | **279** | **109** |
| Padget Electronics Private Limited | 150 | 9 | - | - | - | - | - | - | 150 | 9 |
| Rexxam Dixon Electronics Private Limited | - | - | 129 | 100 | - | - | - | - | 129 | 100 |
| **Reimbursement of expenses** | **94** | **15** | **-** | **-** | **-** | **-** | **-** | **-** | **94** | **15** |
| Dixon Electro Manufacturing Private Limited | 94 | - | - | - | - | - | - | - | 94 | - |
| Dixon Technologies Solutions Private Limited | - | 15 | - | - | - | - | - | - | - | 15 |
| **Corporate guarantee charges received** | **71** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **71** | **-** |
| Padget Electronics Private Limited | 71 | - | - | - | - | - | - | - | 71 | - |
| **Corporate Guarantee given on behalf of the Subsidiaries and joint venture** | **3,10,900** | **57,500** | **1,930** | **-** | **-** | **-** | **-** | **-** | **3,12,830** | **57,500** |
| Padget Electronics Private Limited | 2,87,700 | 57,500 | - | - | - | - | - | - | 2,87,700 | 57,500 |
| Dixon Electro Appliances Private Limited | 9,000 | - | - | - | - | - | - | - | 9,000 | - |
| Dixon Technologies Solutions Private Limited | 10,000 | - | - | - | - | - | - | - | 10,000 | - |
| AIL Dixon Technologies Private Limited | - | - | 1,930 | - | - | - | - | - | 1,930 | - |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiaries | | Joint Venture | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| Dixon Electro Manufacturing Private Limited | 4,200 | - | - | - | - | - | - | - | 4,200 | - |
| **Bond Given to Custom Department by the company on behalf of subsidiaries/joint venture** | **5,000** | **-** | **-** | **100** | **-** | **-** | **-** | **-** | **5,000** | **100** |
| Rexxam Dixon Electronics Private Limited | - | - | - | 100 | - | - | - | - | - | 100 |
| Califonix Tech and Manufacturing Private Limited | 5,000 | - | - | - | - | - | - | - | 5,000 | - |
| **Bond released by Custom Department to the company on behalf of subsidiaries/joint venture** | **500** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **500** | **-** |
| Padget Electronics Private Limited | 500 | - | - | - | - | - | - | - | 500 | - |
| **Loans provided** | **81,746** | **1,06,828** | **400** | **-** | **-** | **-** | **-** | **-** | **82,146** | **1,06,828** |
| Padget Electronics Private Limited | 38,420 | 87,608 | - | - | - | - | - | - | 38,420 | 87,608 |
| Dixon Electro Appliances Private Limited | 16,436 | 1,731 | - | - | - | - | - | - | 16,436 | 1,731 |
| Dixon Electro Manufacturing Private Limited | 14,519 | 15,079 | - | - | - | - | - | - | 14,519 | 15,079 |
| Dixon Technologies Solutions Private Limited | 12,371 | 2,410 | - | - | - | - | - | - | 12,371 | 2,410 |
| AIL Dixon Technologies Private Limited | - | - | 400 | - | - | - | - | - | 400 | - |
| **Repayment of loans provided** | **64,080** | **81,460** | **-** | **44** | **-** | **-** | **-** | **-** | **64,080** | **81,504** |
| Padget Electronics Private Limited | 36,250 | 80,179 | - | - | - | - | - | - | 36,250 | 80,179 |
| Dixon Electro Appliances Private Limited | 16,929 | 1,281 | - | - | - | - | - | - | 16,929 | 1,281 |
| Dixon Technologies Solutions Private Limited | 10,901 | - | - | - | - | - | - | - | 10,901 | - |
| Rexxam Dixon Electronics Private Limited | - | - | - | 44 | - | - | - | - | - | 44 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiaries | | Joint Venture | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| **Borrowings received** | 42,850 | **5,020** | - | **-** | - | **-** | - | **-** | 42,850 | **5,020** |
| Padget Electronics Private Limited | 42,850 | 4,000 | - | - | - | - | - | | 42,850 | 4,000 |
| Dixon Global Private Limited | - | 1,020 | - | - | - | - | - | - | - | 1,020 |
| **Borrowings repaid** | 39,350 | **4,000** | - | **-** | - | **-** | - | **-** | 39,350 | **4,000** |
| Padget Electronics Private Limited | 39,350 | 4,000 | - | - | - | - | - | - | 39,350 | 4,000 |
| **Director sitting fees** | - | **-** | - | **-** | 19 | **27** | - | **-** | 19 | **27** |
| Mr. Rakesh Mohan | - | - | - | - | 3 | 4 | - | - | 3 | 4 |
| Mr. Manuji Zarabi | - | - | - | - | 5 | 7 | - | - | 5 | 7 |
| Ms. Poornima Shenoy | - | - | - | - | 2 | 4 | - | - | 2 | 4 |
| Mr. Arun Seth | - | - | - | - | 1 | - | - | - | 1 | - |
| Mr. Manoj Maheshwari | - | - | - | - | 5 | 7 | - | - | 5 | 7 |
| Mr. Keng Tsung Kuo | - | - | - | - | 3 | 5 | - | - | 3 | 5 |
| **Remuneration (including commission)** | - | **-** | - | **-** | 2,345 | **2,224** | - | **-** | 2,345 | **2,224** |
| Mr. Sunil Vachani | - | - | - | - | 860 | 877 | - | - | 860 | 877 |
| Mr. Atul B. Lall | - | - | - | - | 846 | 874 | - | - | 846 | 874 |
| Mr. Saurabh Gupta | - | - | - | - | 437 | 311 | - | - | 437 | 311 |
| Mr. Ashish Kumar | - | - | - | - | 110 | 99 | - | - | 110 | 99 |
| Mr. Prithvi Vachani | - | - | - | - | 32 | 3 | - | - | 32 | 3 |
| Mr. Rakesh Mohan | - | - | - | - | 12 | 12 | - | - | 12 | 12 |
| Mr. Manuji Zarabi | - | - | - | - | 12 | 12 | - | - | 12 | 12 |
| Ms. Poornima Shenoy | - | - | - | - | 12 | 12 | - | - | 12 | 12 |
| Mr. Manoj Maheshwari | - | - | - | - | 12 | 12 | - | - | 12 | 12 |
| Mr. Keng Tsung Kuo | - | - | - | - | 12 | 12 | - | - | 12 | 12 |
| **ESOPs** | - | **-** | - | **-** | 1,138 | **1,138** | - | **-** | 1,138 | **1,138** |
| Mr. Atul B. Lall | - | - | - | - | 615 | 615 | - | - | 615 | 615 |
| Mr. Saurabh Gupta | - | - | - | - | 308 | 308 | - | - | 308 | 308 |
| Mr. Ashish Kumar | - | - | - | - | 215 | 215 | - | - | 215 | 215 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiary | | Joint Venture | | KMP and their relatives | | Entities over which relatives of executive directors are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| **Outstanding balances** | | | | | | | | | | |
| **Trade Payable** | **3,170** | **3** | **-** | **-** | **-** | **-** | **-** | **-** | **3,170** | **3** |
| Dixon Global Private Limited | 61 | 3 | - | - | - | - | - | - | 61 | 3 |
| Dixon Technologies Solutions Private Limited | 3,109 | - | - | - | - | - | - | - | 3,109 | - |
| **Trade receivables** | **1,517** | **5,698** | **214** | **5,832** | **-** | **-** | **-** | **23** | **1,731** | **11,553** |
| AIL Dixon Technologies Private Limited | - | - | 209 | 152 | - | - | - | - | 209 | 152 |
| Califonix Tech and Manufacturing Private Limited | 39 | - | - | - | - | - | - | - | 39 | - |
| Dixon Electro Appliancess Private Limited | 154 | 2,702 | - | - | - | - | - | - | 154 | 2,702 |
| Dixon Electro Manufacturing Private Limited | 588 | 268 | - | - | - | - | - | - | 588 | 268 |
| Dixon Technologies Solutions Private Limited | - | 82 | - | - | - | - | - | - | - | 82 |
| Rexxam Dixon Electronics Private Limited | - | - | 5 | 5,680 | - | - | - | - | 5 | 5,680 |
| Padget Electronics Private Limited | 736 | 2,646 | - | - | - | - | - | - | 736 | 2,646 |
| Topline Electronics Private Limited | - | - | - | - | - | - | - | 23 | - | 23 |
| **Loans** | **45,177** | **27,511** | **400** | **-** | **-** | **-** | **-** | **-** | **45,577** | **27,511** |
| Dixon Electro Appliances Private Limited | 7 | 500 | - | - | - | - | - | - | 7 | 500 |
| Dixon Electro Manufacturing Private Limited | 29,634 | 15,115 | - | - | - | - | - | - | 29,634 | 15,115 |
| Dixon Technologies Solutions Private Limited | 3,936 | 2,466 | - | - | - | - | - | - | 3,936 | 2,466 |
| AIL Dixon Technologies Private Limited | - | - | 400 | - | - | - | - | - | 400 | - |
| Padget Electronics Private Limited | 11,600 | 9,430 | - | - | - | - | - | - | 11,600 | 9,430 |
| **Borrowings** | **4,520** | **1,020** | **-** | **-** | **-** | **-** | **-** | **-** | **4,520** | **1,020** |
| Dixon Global Private Limited | 1,020 | 1,020 | - | - | - | - | - | - | 1,020 | 1,020 |
| Padget Electronics Private Limited | 3,500 | - | - | - | - | - | - | - | 3,500 | - |
| **Payable to Key Management Persons** | **-** | **-** | **-** | **-** | **-** | **7** | **-** | **-** | **-** | **7** |
| Mr. Manoj Maheshwari | - | - | - | - | - | 2 | - | - | - | 2 |
| Mr. Manuji Zarabi | - | - | - | - | - | 2 | - | - | - | 2 |

## Notes to the Standalone Financial Statements
for the year ended 31 March, 2024

### 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiary | | Joint Venture | | KMP and their relatives | | Entities over which relatives of executive directors are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| Ms. Poornima Shenoy | - | - | - | - | - | 1 | - | - | - | 1 |
| Mr. Rakesh Mohan | - | - | - | - | - | 1 | - | - | - | 1 |
| Mr. Keng Tsung Kuo | - | - | - | - | - | 1 | - | - | - | 1 |
| **Bond Given to Custom Department by the company on behalf of Subsidiary/ join venture** | **6,100** | **1,600** | **100** | **100** | **-** | **-** | **-** | **-** | **6,200** | **1,700** |
| Padget Electronics Private Limited | 1,100 | 1,600 | - | - | - | - | - | - | 1,100 | 1,600 |
| Rexxam Dixon Electronics Private Limited | - | - | 100 | 100 | - | - | - | - | 100 | 100 |
| Califonix Tech and Manufacturing Private Limited | 5,000 | - | - | - | - | - | - | - | 5,000 | - |
| **Bond Given to Custom Department by Subsidiaries/ joint venture companies on behalf of the company** | **1,034** | **1,034** | **-** | **-** | **-** | **-** | **-** | **-** | **1,034** | **1,034** |
| Padget Electronics Private Limited | 1,034 | 1,034 | - | - | - | - | - | - | 1,034 | 1,034 |
| **Corporate guarantee** | **5,16,700** | **2,05,800** | **1,930** | **-** | **-** | **-** | **-** | **-** | **5,18,630** | **2,05,800** |
| Dixon Electro Appliances Private Limited | 36,000 | 27,000 | - | - | - | - | - | - | 36,000 | 27,000 |
| Dixon Technologies Solutions Private Limited | 10,000 | - | - | - | - | - | - | - | 10,000 | - |
| AIL Dixon Technologies Private Limited | - | - | 1,930 | - | - | - | - | - | 1,930 | - |
| Dixon Electro Manufacturing Private Limited | 4,200 | - | - | - | - | - | - | - | 4,200 | - |
| Padget Electronics Private Limited | 4,66,500 | 1,78,800 | - | - | - | - | - | - | 4,66,500 | 1,78,800 |
| **Investment in equity shares** | **5,724** | **3,567** | **1,550** | **2,055** | **-** | **-** | **-** | **-** | **7,274** | **5,622** |
| Dixon Global Private Limited | 100 | 100 | - | - | - | - | - | - | 100 | 100 |
| AIL Dixon Technologies Private Limited | - | - | 950 | 950 | - | - | - | - | 950 | 950 |
| Dixon Electro Appliances Private Limited | 5 | 5 | - | - | - | - | - | - | 5 | 5 |
| Padget Electronics Private Limited | 3,450 | 3,450 | - | - | - | - | - | - | 3,450 | 3,450 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 49 Related party disclosures (Contd..)

₹ in Lakh

| Particulars | Subsidiary | | Joint Venture | | KMP and their relatives | | Entities over which relatives of executive directors are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| Dixon Technologies Solutions Private Limited | 1 | 1 | - | - | - | - | - | - | 1 | 1 |
| Dixon Electro Manufacturing Private Limited | 1 | 1 | - | - | - | - | - | - | 1 | 1 |
| Rexxam Dixon Electronics Private Limited | - | - | 600 | 600 | - | - | - | - | 600 | 600 |
| Dixtel Communications Private Limited | 10 | 10 | - | - | - | - | - | - | 10 | 10 |
| Califonix Tech and Manufacturing Private Limited | 2,155 | - | - | 505 | - | - | - | - | 2,155 | 505 |
| Dixon Infotech Private Limited | 1 | - | - | - | - | - | - | - | 1 | - |
| Dixtel Infocom Private Limited | 1 | - | - | - | - | - | - | - | 1 | - |
| **Investment in preference shares** | **4,998** | **4,998** | **-** | **-** | **-** | **-** | | **-** | **4,998** | **4,998** |
| Dixon Electro Appliances Private Limited | 4,998 | 4,998 | - | - | - | - | - | - | 4,998 | 4,998 |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 50 Disclosure of financial ratios

| Particulars | Numerator | Denominator | As at 31 March 2024 | As at 31 March 2023 | Variance % | Reason for variance |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liabilities | 1.11 | 1.18 | -6% | Not material |
| Debt-Equity Ratio | Total debt | Total equity | 0.17 | 0.21 | -18% | Due to retained earning |
| Debt Service Coverage ratio | Net operating Income | Total debt service | 1.22 | 1.26 | -3% | Not material |
| Inventory Turnover ratio | Cost of Goods Sold | Average Inventory | 13.76 | 11.35 | 21% | Reduction in average inventory |
| Trade Receivable Turnover Ratio | Net sales | Average trade receivables | 6.98 | 7.88 | -11% | Reduction in average trade receivables |
| Trade Payable Turnover Ratio | Net purchases | Average trade payables | 4.94 | 4.75 | 4% | Not material |
| Net Capital Turnover Ratio | Net sales | Working capital | 46.01 | 29.44 | 56% | The increase in the Capital Turnover Ratio on account of decrease in working capital. The Company has taken the short term borrowing during the year which consitute the decrease in working capital. |
| Net Profit ratio | Profit after tax | Net sales | 0.03 | 0.03 | -4% | Not material |
| Return on Equity ratio | Profit after tax | Total equity | 0.13 | 0.18 | -26% | Due to decrease in the current year profit |
| Return on Capital Employed | Earning before interest and tax | Capital employed | 0.18 | 0.23 | -21% | Due to decrease in the current year profit |
| Return on Investment | Earning before interest and tax | Total Assets | 0.10 | 0.12 | -13% | Due to decrease in the current year profit |

### (i) Working of the ratios

₹ Lakh

| Basis of ratios | Year ended 31 March 2024 | Ratio | Year ended 31 March 2023 | Ratio |
|---|---|---|---|---|
| **a. Current ratio** | | | | |
| Current assets | 1,36,744 | 1.11 | 1,55,413 | 1.18 |
| Current liability | 1,22,809 | | 1,31,643 | |
| **b. Debt Equity ratio** | | | | |
| Total debt (see note ii ) | 23,928 | 0.17 | 24,279 | 0.21 |
| Total equity (Equity share capital+ other equity) | 1,39,430 | | 1,16,640 | |
| **c. Debt service coverage ratio** | | | | |
| Net operating income (Profit after tax+Finance cost+Depreciation and amortisation expenses) | 29,112 | 1.22 | 30,498 | 1.26 |
| Total debt service (Long term debt+Short term debt+Capital lease obligation) | 23,928 | | 24,279 | |

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 50 Disclosure of financial ratios (Contd..)

₹ Lakh

| Basis of ratios | Year ended 31 March 2024 | Ratio | Year ended 31 March 2023 | Ratio |
|---|---|---|---|---|
| **d. Inventory turnover ratio** | | | | |
| Cost of goods sold | 5,66,102 | 13.76 | 6,17,925 | 11.35 |
| Average Inventory = (Opening stock + Closing stock) / 2 | 41,138 | | 54,428 | |
| **e. Trade receivables turnover ratio** | | | | |
| Net sales (Total sales - Sales return) | 6,41,140 | 6.98 | 6,99,740 | 7.88 |
| Average trade receivables = (Opening debtors +Closing debtors) / 2 | 91,877 | | 88,813 | |
| **f. Trade payables turnover ratio** | | | | |
| Total purchases (Net of purchase return) | 5,63,018 | 4.94 | 5,99,980 | 4.75 |
| Average trade payables = (Opening creditors + Closing creditors) / 2 | 1,14,070 | | 1,26,405 | |
| **g. Net capital turnover ratio** | | | | |
| Net sales (Total sales - Sales return) | 6,41,140 | 46.01 | 6,99,740 | 29.44 |
| Working capital = Current assets - Current liabilities | 13,935 | | 23,770 | |
| **h. Net profit ratio** | | | | |
| Profit after tax | 18,566 | 0.03 | 21,115 | 0.03 |
| Net sales (Total sales - Sales return) | 6,41,140 | | 6,99,740 | |
| **i. Return on equity ratio** | | | | |
| Profit after tax | 18,566 | 0.13 | 21,115 | 0.18 |
| Total equity (Equity share capital+ other equity) | 1,39,430 | | 1,16,640 | |
| **j. Return on Capital Employed** | | | | |
| Earnings before interest and tax | 28,846 | 0.18 | 32,147 | 0.23 |
| Capital employed = Total assets - Current liabilities | 1,60,543 | | 1,41,562 | |
| **k. Return on investment** | | | | |
| Earnings before interest and tax | 28,846 | 0.10 | 32,147 | 0.12 |
| Total Assets | 2,83,352 | | 2,73,205 | |

### (ii) Total Debt

₹ Lakh

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **a. Borrowings** | | |
| Non-current | 4,425 | 5,939 |
| Current | 6,034 | 2,283 |
| **b. Lease liability** | | |
| Non-current | 12,615 | 14,976 |
| Current | 854 | 1,081 |
| | **23,928** | **24,279** |

**51** The Board of Directors have recommended a final dividend of 250% (₹ 5.00/- per Equity Share of ₹ 2/- each) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

## 52 Other Statutory Information

(i) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(ii) No penalties were imposed by the regulator during the financial year ended 31 March, 2024.

# Notes to the Standalone Financial Statements

for the year ended 31 March, 2024

## 52 Other Statutory Information (Contd..)

(iii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(xi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(xii) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company.

**53** There are no subsequent event observed after the reporting period which have material impact on the Company's operation.

**54** Figures for the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**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: 15 May, 2024

Place: Noida
Date: 15 May, 2024

# Consolidated
# Financial Statements

# Independent Auditor's Report

To
The Members of
**DIXON TECHNOLOGIES (INDIA) LIMITED**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of **DIXON TECHNOLOGIES (INDIA) LIMITED** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2024, 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 in the Other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its joint ventures as at 31 March 2024, 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 and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTER

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. We have determined that there are no key audit matters to communicate in our report.

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the directors report, management discussions and analysis (MD&A) and corporate governance report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report,
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If based on the work performed on the other information that we obtained prior to the date of this auditors report, we conclude that there is a material misstatement therein, we are required to report the 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 preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We have determined that there are no key audit matters to communicate in our report.

## OTHER MATTER

We did not audit the financial statements of two subsidiaries whose financial statements reflects total assets of ₹ 3,17,525 lakhs as at 31 March, 2024, total revenue of ₹ 9,75,845 lakhs, net profit after tax of ₹ 14,840 lakhs and total comprehensive income of ₹ 14,852 lakhs and net cash outflows of ₹ 4,816 lakhs for the year ended 31 March,2024 as considered in the consolidated financial statements. The financial statements of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such auditors.

Our opinion on the consolidated financial statements above, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the audit report issued by us for the Company and based on our consideration of the audit reports issued by respective auditors of the seven subsidiaries and two joint ventures included in consolidated financial statements, we report that there are no qualifications or adverse remarks in these reports.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), and the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act,

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and joint ventures incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in **Annexure A**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements of the subsidiaries, the remuneration paid by the Holding Company and its subsidiaries and joint venture to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note 46 (a) to the consolidated financial statements;

ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative. Refer Note 46 (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 Group and its joint ventures. Refer Note 46 (f) to the consolidated financial statements;

iv. a) The respective managements of the Holding Company and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries and joint ventures to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective managements of the Holding Company and its subsidiaries, and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries or joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The final dividend paid during the year and proposed final dividend for the year by Holding Company is in compliance with Section 123 of the Act

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act the Holding Company, subsidiaries and joint ventures have used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the respective auditors of the above-referred subsidiaries did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiaries and joint ventures, which are companies incorporated in India, only with effect from 1 April, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

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

**Vinesh Jain**
Partner
Membership No.: 87701
UDIN: 24087701BKDAPK9344

Place: Noida
Date: 15 May, 2024

# Annexure A

## INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

1. In conjunction with our audit of the consolidated financial statements of the company as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the financial statements of **DIXON TECHNOLOGIES (INDIA) LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiary companies and its joint ventures, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company, its subsidiaries and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and its joint ventures as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company, its subsidiaries and its joint ventures as aforesaid.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A group's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

8. In our opinion, the Holding Company, its subsidiaries and its joint ventures, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## OTHER MATTER

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**Vinesh Jain**
Partner
Membership No.: 87701
UDIN: 24087701BKDAPK9344

Place: Noida
Date: 15 May, 2024

# Consolidated Balance Sheet

as at 31 March, 2024

₹ / Lakh

| Particulars | Note No. | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 10 | 1,63,680 | 94,249 |
| (b) Capital work-in-progress | 11 | 6,427 | 11,970 |
| (c) Other intangible assets | 12 | 3,065 | 2,244 |
| (d) Intangible assets under development | 13 | 407 | - |
| (e) Right of use assets | 14 | 29,849 | 24,840 |
| (f) Goodwill | 15 | 3,031 | 3,031 |
| (g) Financial assets | | | |
| i. Investments | 16 | 2,004 | 1,415 |
| ii. Other financial assets | 17 | 4,214 | 3,483 |
| (h) Deferred tax assets (Net) | 18 | 192 | - |
| (i) Other non-current assets | 19 | 2,648 | 12,784 |
| | | **2,15,517** | **1,54,016** |
| **Current assets** | | | |
| (a) Inventories | 20 | 1,69,501 | 95,787 |
| (b) Financial assets | | | |
| i. Investments | 16 | - | 3,000 |
| ii. Trade receivables | 21 | 2,31,788 | 1,71,545 |
| iii. Cash and cash equivalents | 22 | 20,048 | 21,704 |
| iv. Bank balances other than cash and cash equivalents | 23 | 817 | 1,214 |
| v. Loans | 24 | 200 | - |
| vi. Other financial assets | 17 | 31,867 | 8,991 |
| (c) Other current assets | 19 | 29,098 | 11,591 |
| (d) Current tax assets | 25 | 309 | 95 |
| | | **4,83,628** | **3,13,927** |
| **TOTAL ASSETS** | | **6,99,145** | **4,67,943** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 26 | 1,196 | 1,191 |
| (b) Other equity | 27 | 1,68,289 | 1,27,300 |
| **Equity attributable to owners of the company** | | **1,69,485** | **1,28,491** |
| Non-controlling interest | | 2,761 | (28) |
| **TOTAL EQUITY** | | **1,72,246** | **1,28,463** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial liabilities: | | | |
| i. Borrowings | 28 | 11,260 | 14,523 |
| ii. Lease liabilities | 29 | 31,199 | 25,283 |
| iii. Trade payable | 30 | | |
| - Total outstanding dues of micro and small enterprises | | - | - |
| - Total outstanding dues to creditors other than micro and small enterprises | | 546 | - |
| iv. Other financial liabilities | 31 | 4,347 | - |
| (b) Provisions | 32 | 2,138 | 1,726 |
| (c) Deferred tax liabilities (net) | 33 | 2,590 | 2,240 |
| (d) Other non-current liabilities | 34 | 1,657 | 1,609 |
| | | **53,737** | **45,381** |
| **Current Liabilities** | | | |
| (a) Financial liabilities: | | | |
| i. Borrowings | 35 | 4,243 | 3,739 |
| ii. Lease liabilites | 29 | 2,196 | 1,764 |
| iii. Trade payables | 30 | | |
| - Total outstanding dues of micro and small enterprises | | 4,599 | 8,709 |
| - Total outstanding dues to creditors other than micro and small enterprises | | 4,01,376 | 2,36,479 |
| iv. Other financial liabilities | 31 | 50,313 | 29,142 |
| (b) Other current liabilities | 34 | 8,734 | 12,142 |
| (c) Provisions | 32 | 632 | 858 |
| (d) Current tax liabilities | 36 | 1,069 | 1,266 |
| | | **4,73,162** | **2,94,099** |
| **TOTAL LIABILITIES** | | **5,26,899** | **3,39,480** |
| **TOTAL EQUITY AND LIABILITIES** | | **6,99,145** | **4,67,943** |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**For and on behalf of the Board of Directors**

Sunil Vachani
**Chairman**

Saurabh Gupta
**Chief Financial officer**

Place: Noida
Date: 15 May, 2024

Atul B. Lall
**Vice Chairman and Managing Director**

Ashish Kumar
**Company Secretary**

Place: Noida
Date: 15 May, 2024

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2024

₹ / Lakh

| Particulars | Note No. | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **INCOME** | | | |
| 1 Revenue from operations | 37 | 17,69,090 | 12,19,201 |
| 2 Other income | 38 | 2,256 | 561 |
| **3 Total income (1+2)** | | **17,71,346** | **12,19,762** |
| **4 EXPENSES** | | | |
| (a) Cost of materials consumed | 39 | 16,14,242 | 11,01,517 |
| (b) Changes in inventories of finished goods and work-in-progress | 40 | (10,347) | 557 |
| (c) Employee benefits expense | 41 | 33,267 | 25,167 |
| (d) Finance costs | 42 | 7,472 | 6,057 |
| (e) Depreciation and amortisation expense | 43 | 16,188 | 11,463 |
| (f) Other expenses | 44 | 62,165 | 40,685 |
| **Total expenses (4)** | | **17,22,987** | **11,85,446** |
| 5 Profit before share of profit/(loss) of joint venture and tax (3-4) | | 48,359 | 34,316 |
| 6 Share of profit of joint venture | | 1,024 | 162 |
| **7 Profit before tax (5+6)** | | **49,383** | **34,478** |
| 8 Tax expense: | 45 | | |
| (a) Current tax | | 11,505 | 8,766 |
| (b) Deferred tax | | 123 | 269 |
| (c) Income tax related to earlier years | | 263 | (65) |
| **Tax expense (8)** | | **11,891** | **8,970** |
| **9 Profit for the year (7-8)** | | **37,492** | **25,508** |
| **10 Other comprehensive income ('OCI')** | | | |
| (a) Items that will not be reclassified to profit or loss - re-measurement of defined benefit liabilities | | 123 | (144) |
| (b) Income tax relating to items that will not be reclassified to profit and loss | | (34) | 16 |
| (c) Share of OCI in Joint Ventures (net) | | (3) | - |
| **Other comprehensive income for the year** | | **86** | **(128)** |
| **11 Total comprehensive income for the year (9+10)** | | **37,578** | **25,380** |
| **12 Profit for the year attributable to** | | | |
| (a) Owners of the Company | | 36,775 | 25,552 |
| (b) Non-controlling interests | | 717 | (44) |
| | | **37,492** | **25,508** |
| **13 Other comprehensive income attributable to** | | | |
| (a) Owners of the Company | | 95 | (89) |
| (b) Non-controlling interests | | (9) | (39) |
| | | **86** | **(128)** |
| **14 Total comprehensive income attributable to** | | | |
| (a) Owners of the Company | | 36,870 | 25,463 |
| (b) Non-controlling interests | | 708 | (83) |
| | | **37,578** | **25,380** |
| **15 Earnings per equity share ('EPS')** | 49 | | |
| (Nominal value of share ₹ 2) | | | |
| (a) Basic | | 62.84 | 42.92 |
| (b) Diluted | | 62.46 | 42.62 |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**For and on behalf of the Board of Directors**

Sunil Vachani
**Chairman**

Saurabh Gupta
**Chief Financial officer**

Place: Noida
Date: 15 May, 2024

Atul B. Lall
**Vice Chairman and Managing Director**

Ashish Kumar
**Company Secretary**

Place: Noida
Date: 15 May, 2024

# Consolidated Statement of Changes in Equity

for the year ended 31 March, 2024

## a. Equity share capital

| Particulars | ₹ / Lakh |
|---|---|
| **Balance as at 1 April, 2022** | **1,187** |
| Shares issued under employee stock option scheme | 4 |
| **Balance as at 31 March, 2023** | **1,191** |
| Shares issued under employee stock option scheme | 5 |
| **Balance as at 31 March, 2024** | **1,196** |

## b. Other equity

₹ / Lakh

| 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, 2022** | **2,451** | **23,226** | **33** | **1,095** | **71,785** | **(99)** | **98,491** |
| Profit for the year | - | - | - | - | 25,552 | - | 25,552 |
| Dividend paid | - | - | - | - | (1,189) | | (1,189) |
| Share options expenses for the year | - | - | - | 1,182 | - | - | 1,182 |
| Transfer for share option exercised during the year | 593 | - | - | (593) | - | - | - |
| Premium on issue of share under employees stock option scheme | - | 3,352 | - | - | - | - | 3,352 |
| Remeasurement Gain/(Loss) on defined benefit plans, net of income tax | - | - | - | - | - | (89) | (89) |
| **Balance as at 31 March, 2023** | **3,044** | **26,578** | **33** | **1,684** | **96,148** | **(187)** | **1,27,300** |
| Profit for the year | - | - | - | - | 36,775 | - | 36,775 |
| Dividend paid | - | - | - | - | (1,787) | - | (1,787) |
| Share options expenses for the year | - | - | - | 1,221 | - | - | 1,221 |
| Transfer for share option exercised during the year | 1,059 | - | - | (1,059) | - | - | - |
| Premium on issue of share under employees stock option scheme | - | 4,684 | - | - | - | - | 4,684 |
| Remeasurement Gain/(Loss) on defined benefit plans, net of income tax | - | - | - | - | - | 95 | 95 |
| **Balance as at 31 March, 2024** | **4,103** | **31,262** | **33** | **1,846** | **1,31,136** | **(91)** | **1,68,289** |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**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: 15 May, 2024

Place: Noida
Date: 15 May, 2024

# Consolidated Statement of Cash Flow

for the year ended 31 March, 2024

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| **Profit before tax** | 48,359 | 34,316 |
| **Adjustments for :** | | |
| Depreciation and amortisation expense | 16,188 | 11,463 |
| Finance costs | 7,472 | 6,057 |
| (Gain) /loss on Exchange fluctuation | (954) | 222 |
| Provision for impairment of property, plant and equipment | - | (171) |
| Interest income | (112) | (129) |
| (Profit)/loss on sale of investment in mutual fund investments | (23) | (78) |
| Provision for doubtful debts/ loans and advances written back | - | (3) |
| (Profit)/loss on sale of property, plant and equipment | 118 | 320 |
| Excess liabilities, credit balances, provisions etc. written back | (411) | (54) |
| Provision for doubtful debts / loans and advances | 99 | - |
| (Gain)/Loss on remeasurement of Liability | (466) | - |
| Share based payment expenses | 1,221 | 1,182 |
| Bad debts write off | - | 10 |
| **Operating profit before working capital changes** | **71,491** | **53,135** |
| **Changes in working capital** | | |
| **Adjustments for (increase) / decrease in operating assets:** | | |
| Inventories | (73,714) | 19,781 |
| Trade receivables | (60,322) | (35,920) |
| Other financial assets | | |
| - non current | (731) | 75 |
| - current | (22,876) | 6,624 |
| Other assets | | |
| - non current | (19) | - |
| - current | (17,507) | 4,326 |
| **Adjustments for increase / (decrease) in operating liabilities:** | | |
| Trade payables | | |
| - non current | 546 | - |
| - current | 1,62,152 | 13,883 |
| Provisions | | |
| - non current | 412 | 299 |
| - current | (103) | (15) |
| Other liabilities | | |
| - non current | 48 | 118 |
| - current | (3,408) | 6,649 |
| Other current financial liabilities | 14,641 | 11,819 |
| **Cash generated from operating activities** | **70,610** | **80,774** |
| Income tax paid (net) | (12,179) | (8,199) |
| **Net cash generated from/(used in) operating activities** | **58,431** | **72,575** |
| **B. Cash flow from investing activities** | | |
| Capital expenditure on property, plant and equipment and intangible assets | (58,443) | (46,120) |
| Sale proceeds of property, plant and equipment | 1,586 | 1,098 |
| Investments in mutual funds | - | (3,659) |
| Proceeds from sale of investment | 3,435 | 13,501 |
| Loans given | (200) | 44 |
| Profit/(loss) on mutual fund investments | 23 | 78 |
| (Increase) / decrease in bank balance not classified as cash and cash equivalent | 397 | (626) |
| Interest income received | 112 | 129 |
| **Net cash generated from/(used in) investing activities** | **(53,090)** | **(35,555)** |

# Consolidated Statement of Cash Flow

for the year ended 31 March, 2024

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **C. Cash flow from financing activities** | | |
| Interest paid | (4,944) | (4,316) |
| Repayment of lease liabilities | (4,279) | (3,057) |
| Contribution received from non-controlling Interest | 2,082 | - |
| Proceeds from issue of share | 4,689 | 3,357 |
| Proceeds from non-curent borrowings | 395 | 3,336 |
| Repayment of non-curent borrowings | (3,024) | (19,591) |
| Proceeds/(repayment) from current borrowings (net) | (130) | (11,504) |
| Dividend paid | (1,786) | (1,187) |
| **Net cash generated from/(used in) financing activities** | **(6,997)** | **(32,962)** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **(1,656)** | **4,058** |
| Cash and cash equivalents at the beginning of the year | 21,704 | 17,646 |
| **Cash and cash equivalents at the end of year (refer note 22)** | **20,048** | **21,704** |

**Notes:**

i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on 'Statements of Cash Flows'.

ii. Figures in brackets indicate cash outflow.

iii. Figures for the previous year have been regrouped wherever considered necessary.

iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**For and on behalf of the Board of Directors**

Sunil Vachani
**Chairman**

Saurabh Gupta
**Chief Financial officer**

Place: Noida
Date: 15 May, 2024

Atul B. Lall
**Vice Chairman and Managing Director**

Ashish Kumar
**Company Secretary**

Place: Noida
Date: 15 May, 2024

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 1 Corporate Information

The Dixon Technologies (India) Limited ('the Company' or 'the Holding Company') is a Company incorporated in India, with its registered office situated at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN is L32101UP1993PLC066581. It was incorporated in 1993 under the provisions of the Companies Act 1956.

The Equity Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited.

The Group is primarily involved in manufacturing of electronic goods such as consumer durables, home appliances, lighting product, mobile phones, refrigerator, Telecom products, Hearables & Wearables and security devices.

The board of director of the Holding Company approved the financial statement for the year ended 31 March, 2024 and authorised for issue on 15 May, 2024

## 2 Statement of compliance and going concern assumptions

These consolidated financial statements are prepared and presented in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The accounting policies have been consistently applied for all the periods presented in the standalone financial statements 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.

## 3 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for

- Derivative Financial Instruments at fair value;
- Certain financial assets and liabilities at fair value (refer to accounting policy regarding financial instruments);
- Employee's defined benefit plan measured as per actuarial valuation;
- Employee stock option plans measured at fair value;

All assets and liabilities have been classified as current and non-current as per Group's normal operating cycle. Based on nature of operations, the Group has considered an operating cycle of 12 months.

The consolidated financial statements are presented in Indian Rupee, which is the functional currency of the Group and all values are rounded to the nearest lakhs (₹/00000), except when otherwise indicated.

## 4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and entities controlled by the entity and its subsidiaries. Control is achieved when the Group:

i. Has power over the investee

ii. Is exposure or rights to variable return from its involvement with the investee, and

iii. Has exposure or rights to variable return from its involvement with the investee, and

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. Contractual arrangement with the other vote holders of the investee,

ii. Rights arising from other contractual arrangements,

iii. The Group's voting rights and potential voting rights and

iv. Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.

v. Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements, for like transactions and other events in similar circumstances appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group, i.e., year ended on 31 March, 2024.

**Consolidation procedure followed is as under:**

i. Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date

ii. The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is subject to adjustment of goodwill and

iii. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance

    A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

**Joint ventures**

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control investments in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

**Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of current liabilities.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 5 Business Combination

The Group accounts for its business combinations under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange of control of the acquire. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identified assets acquired and the liabilities assumed are recognised at their fair value, except that:

i. Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee benefits respectively;

ii. liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and

iii. assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets held for sale and discontinued operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identified assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for that purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in Other Comprehensive Income and accumulates the same in equity as capital reserve. This gain is attributable to the acquirer. If there does not exist clear evidence of the underlying assets for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of entity's net assets in the event of liquidation may be initially measured either at fair value or at non-controlling interests' proportionate share of recognised amounts of the acquiree's identified net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as an asset or a liability is measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value, and the resulting gain, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is complete by end of the reporting period in which combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provision amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

**Goodwill**

After initial recognition, goodwill arising on an acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment losses, if any

For the purposes of impairment testing, goodwill is allocated to each of the Group's cashgenerating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the Combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

# Notes to the Consolidated Financial Statements

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The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

## 6 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented. These estimates involves the use of judgements or assumptions based on the latest available reliable information.

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.

The Group uses the following critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements:

- Determination of useful life of property, plant and equipment and intangible assets
- Loss allowance for expected credit losses
- Measurement of defined benefit obligations – Key actuarial assumptions
- Recognition and measurement of provisions and contingencies
- The net realisable value of an item of inventory
- Lease term regarding exercise of extension options
- Recognition of deferred tax assets / liabilities
- Provision for warranty obligations

## 7 Material accouting policies informaton

### 7.1 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

#### Depreciation and useful life

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life as mentioned in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Asset | Useful life |
|---|---|
| Plant and machinery | 2-15 years |
| Furniture and fixtures | 3-10 years |
| Vehicles | 8-10 years |
| Office equipment | 3-7 years |
| Computers | 3-6 years |
| Building | 9-60 years |

Freehold land is not depreciated.

The Group conducts an annual review of the residual value, useful lives, and depreciation method of its assets. If there are differences between the current expectations and previous estimates, the change is accounted for as a prospective change in accounting estimate.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. If the next overhaul is undertaken earlier than the previously estimated life of the economic benefit, the carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss.

If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

#### Derecognition

The Group derecognized property, plant and equipment when it is disposed of or when there are no future economic benefits expected from its continued use. The gain or loss resulting from the disposal or retirement of a property, plant, and equipment item is calculated as the difference between the sales proceeds and the carrying amount of the asset. This gain or loss is recognized in the Statement of Profit and Loss.

#### Capital Work in Progress:

Capital work-in-progress is recorded at its cost, which encompasses expenses incurred during the construction period. This cost also includes interest on the amount borrowed for the acquisition of qualifying assets and other expenses related to project implementation, to the extent that these expenses pertain to the period before the commencement of commercial production.

### 7.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed annually, and any changes in estimates are applied prospectively. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

#### Useful life and amortisation

Amortization is recognized in a straight-line manner over the useful lives of the assets, starting from the date of capitalization. The useful lives of the assets is determined as follows:

| Category | Useful life |
|---|---|
| Computer software | 3-6 years |
| Customer contract | 5 years |

The estimated useful life of intangible assets is reviewed at the end of each reporting period, and any changes in estimate are accounted for prospectively.

#### Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount.

#### Intangible assets under development

Intangible assets under development are recorded at their cost, which encompasses expenses related to the development of intangible assets until they are ready for use.

### 7.3 Impairment of property, plant and equipment and intangible assets

At the end of each reporting year, the Group assesses whether there are any indications of impairment for its property, plant and equipment and intangible assets. If there is any indication, the Group estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it’s not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

### 7.4 Inventories

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

Inventories are valued at the lower of the cost (net of eligible input tax credits) and net realisable value (except waste and scrap which are valued at estimated net realisable value).

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on using 'First in First Out' method ('FIFO'). Cost includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 7.5 Government grants

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed

Government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the standalone statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

## 7.6 Revenue recognition

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of discounts or incentives offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Sale of products:

Revenue from the sale of products is recognised when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

### Sale of service

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Group has an enforceable right to payment for services.

## 7.7 Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of identified asset;
- the Group has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Group has the right to direct the use of the asset.

### As a lessee

i. **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

- Buildings – 05 to 30 years

The right-of-use assets are also subject to impairment.

ii. **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of building and machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of building and machinery and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 7.8 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### Current tax

Current tax is based on taxable profit for the year. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

## 7.9 Borrowing cost

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in

# Notes to the Consolidated Financial Statements

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connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## 7.10 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### Contingent assets

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### Warranties

Provisions for warranty-related costs are recognised as an expense in the Statement of Profit and Loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. Refer note 32 of the consolidated financial statement

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

## 7.11 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

### Short-term employee benefits

Employee benefits such as wages, salaries, bonus, ex-gratia, short-term compensated absences, performance linked rewards, including non-monetary benefits that are expected to be settled within 12 months are classified as short-term employee benefits and are recognised in the period in which the employee renders services and are measured at the amounts expected to be paid when the liabilities are settled.

### Defined contribution plan

Contribution payable to the recognised provident fund, employee state insurance, employee pension scheme and other employee social security scheme etc., which are substantially defined contribution plans, is recognised as expense based on the undiscounted amount of obligations of the Group to contribute to the plan.

### Defined benefit plan

Defined benefit plans comprising of gratuity and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end

# Notes to the Consolidated Financial Statements

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of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Other long-term employee benefits

Other long-term employee benefit comprises of leave encashment towards unavailed leave and compensated absences, which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

#### Termination benefits:

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

### 7.12 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value as at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest with corresponding increase in equity. Fair value of the options on the grant date is calculated considering the following:

- Including the impact of market-based performance conditions (e.g. equity share price of an entity) and non-vesting conditions (e.g. holding the shares for the specific period of time)
- Excluding the impact of service and non-market performance conditions (e.g. achieving revenue or profitability target)

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is not remeasured subsequently.

### 7.13 Cash flow statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 7.14 Earnings per share

#### Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

#### Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

### 7.15 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

### 7.16 Fair value measurement

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

### 7.17 Financial Instruments

#### Initial recognition and subsequent measurement

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.

i. **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, loan to subsidiary, joint ventures, and associates, and loans to employees.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
    a. the Group has transferred substantially all the risks and rewards of the asset, or
    b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the risk of the debt instruments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### ii. Financial liabilites

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by accounting standards. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in accounting standards are satisfied.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings and instruments.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### iii. Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone financial statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### iv. Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

v Dividend and interest income

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 8 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in the Group's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements. The amendment does not result in any changes in accounting policies of the Group, it impacted the accounting policy information disclosed in the financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policies may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated, In such case, entities develop accounting estimates. This amendment does not have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendment relates to deferred tax assets (DTA) related to assets and liabilities arising from single transaction such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group has disclosed DTA on 'Right To Use' asset and 'Lease Labilities' on gross basis, there is no impact on Net DTA recognised.

**Standards Issued but not effective**

As on the date of these financial statements. MCA has not issued and standards or amendments to accounting standards which are effective from April 1, 2024

## 9 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

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 judgment is required in assessing the impact of any legal or economic limits.

b. Useful lives of depreciable/amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

c. Classification of Leases: The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

d. Employee benefit: Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

e. Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.

f. Impairment of financial assets: The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Fair value measurement of Financial Instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility.

h. Warranty : Warranty Provision is measured at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable, and the amount can be reasonably estimated.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 10 Property, plant and equipment

₹ / Lakh

| Particulars | Land | Buildings | Plant and machinery | Furniture and fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| | (see note 'i' and 'iv' below) | | | | | | | |
| **At cost or deemed cost** | | | | | | | | |
| Balance as at 1 April, 2022 | 6,637 | 12,478 | 65,724 | 3,446 | 1,099 | 1,924 | 2,247 | 93,555 |
| Additions | 6,561 | 1,952 | 18,079 | 239 | 447 | 359 | 828 | 28,465 |
| Disposals | - | 282 | 1,372 | 154 | 231 | 75 | 110 | 2,224 |
| **Balance as at 31 March, 2023** | **13,198** | **14,148** | **82,431** | **3,531** | **1,315** | **2,208** | **2,965** | **1,19,796** |
| Additions | 2,363 | 13,097 | 62,673 | 770 | 440 | 1,232 | 2,987 | 83,562 |
| Disposals | - | 355 | 1,995 | 32 | 155 | 59 | 39 | 2,635 |
| **Balance as at 31 March, 2024** | **15,561** | **26,890** | **1,43,109** | **4,269** | **1,600** | **3,381** | **5,913** | **2,00,723** |
| **Accumulated depreciation and impairment** | | | | | | | | |
| **i. Accumulated depreciation** | | | | | | | | |
| Balance as at 1 April, 2022 | 48 | 1,484 | 12,382 | 1,012 | 337 | 945 | 1,006 | 17,214 |
| Charge for the year | 8 | 557 | 6,785 | 399 | 138 | 278 | 635 | 8,800 |
| Disposals | - | 58 | 355 | 100 | 137 | 61 | 93 | 804 |
| **Balance as at 31 March, 2023** | **56** | **1,983** | **18,812** | **1,311** | **338** | **1,162** | **1,548** | **25,210** |
| Charge for the year | 9 | 737 | 9,615 | 357 | 167 | 402 | 1,147 | 12,434 |
| Disposals | - | 36 | 775 | 20 | 39 | 46 | 22 | 938 |
| **Balance as at 31 March, 2024** | **65** | **2,684** | **27,652** | **1,648** | **466** | **1,518** | **2,673** | **36,706** |
| **ii. Impairment losses** | | | | | | | | |
| Balance as at 1 April, 2022 | - | - | 508 | - | - | - | - | 508 |
| Additions | - | - | - | - | - | - | - | - |
| Written back | - | - | 171 | - | - | - | - | 171 |
| **Balance as at 31 March, 2023** | **-** | **-** | **337** | **-** | **-** | **-** | **-** | **337** |
| Additions | - | - | - | - | - | - | - | - |
| Written back | - | - | - | - | - | - | - | - |
| **Balance as at 31 March, 2024** | **-** | **-** | **337** | **-** | **-** | **-** | **-** | **337** |
| **Net carrying amount** | | | | | | | | |
| **As at 31 March, 2023** | **13,142** | **12,165** | **63,282** | **2,220** | **977** | **1,046** | **1,417** | **94,249** |
| **As at 31 March, 2024** | **15,496** | **24,206** | **1,15,120** | **2,621** | **1,134** | **1,863** | **3,240** | **1,63,680** |

**Notes:**

i. Land includes, freehold land located at Plot no C 2/1, Selaqui, Dehradun, Uttarakhand, which was purchased through auction from a Bank during the financial year 2016-17. The aforesaid land is registered in the name of the company. A party has initiated legal case disputing ownership of the said land at various courts/ tribunals, including Hon'ble Debt Recovery Tribunal at Lucknow and Dehradun ('DRT') and Hon'ble Debt Recovery Appellate Tribunal, Allahabad ('DRAT') and Hon'ble Nainital High Court. The matter has been decided by DRAT in the favour of the Holding Company. The Holding Company, being bonafide purchaser of the said land under the auction carried

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 10 Property, plant and equipment (Contd..)

out by the Bank as per SARFAESI Act, 2002 is defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250 lakh and capital assets created thereon is having the net block of ₹ 2,217 lakh as at 31 March, 2024.

ii. For information of the assets pledged as security against borrowings, see note 28, 35 and 47.

iii. There are no proceedings against the Group, that have been initiated or pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

iv. Land includes, land taken from Noida authorities with a right to use for 99 years, which can be further extended by 99 years at the option of the Holding Company. The said land is being amortised over intial period of right to use.

## 11 Capital work in progress

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Opening balance | 11,970 | 2,201 |
| Additions during the year | 14,301 | 11,147 |
| Capitalised during the year | 19,844 | 1,378 |
| **Closing Balance** | **6,427** | **11,970** |

**Notes:**

a) **Ageing of capital work in progress**

As at 31 March, 2024

₹ / Lakh

| Particulars | Amount in capital work in progress for | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| Projects in progress | 5,996 | 431 | - | - | 6,427 |

As at 31 March, 2023

₹ / Lakh

| Particulars | Amount in capital work in progress for | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| Projects in progress | 11,147 | 823 | - | - | 11,970 |

b) Projects in progress comprises projects of Washing Machine, LED Television, Lighting product, Mobile, Refrigerator, Telecom products and others.

c) There is no capital project in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

d) For disclosure of contractual commitments for the acquisition of property, plant and equipment, refer note 46 (d).

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 12 Other intangible assets

₹ / Lakh

| Particulars | Customer Contracts | Computer Software | Total |
|---|---|---|---|
| **As at cost or deemed cost** | | | |
| Balance as at 01 April, 2022 | 1,483 | 822 | 2,305 |
| Additions | - | 817 | 817 |
| Disposals | - | 12 | 12 |
| **Balance as at 31 March, 2023** | **1,483** | **1,627** | **3,110** |
| Additions | - | 1,434 | 1,434 |
| Disposals | - | 2 | 2 |
| **Balance as at 31 March, 2024** | **1,483** | **3,059** | **4,542** |
| **Accumulated amortisation** | | | |
| Balance as at 01 April, 2022 | - | 430 | 430 |
| Charge for the year | 296 | 152 | 448 |
| Disposals | - | 12 | 12 |
| **Balance as at 31 March, 2023** | **296** | **570** | **866** |
| Charge for the Year | 297 | 314 | 611 |
| Disposals | - | - | - |
| **Balance as at 31 March, 2024** | **593** | **884** | **1,477** |
| **Net carrying amount** | | | |
| **As at 31 March, 2023** | **1,187** | **1,057** | **2,244** |
| **As at 31 March, 2024** | **890** | **2,175** | **3,065** |

## 13 Intangible assets under development

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Opening balance | - | 38 |
| Additions | 407 | - |
| Capitalised during the year | - | 38 |
| **Closing Balance** | **407** | **-** |

**Notes:**

### Ageing of Intangible assets under development

As at 31 March, 2024

₹ / Lakh

| Particulars | Amount in intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| Projects in progress | 407 | - | - | - | 407 |

As at 31 March, 2023

₹ / Lakh

| Particulars | Amount in intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 14 Right of use assets

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Carrying value of right of use assets** | | |
| Land and buildings | 29,849 | 24,840 |
| | **29,849** | **24,840** |
| **Right to use assets** | | |
| **Carrying amount of right to use assets** | | |
| Opening balance | 24,840 | 19,590 |
| Additions during the year | 9,957 | 7,541 |
| | **34,797** | **27,131** |
| Depreciation during the year | | |
| - Capital work in progress | 42 | 81 |
| - Statement of profit and loss account | 3,143 | 2,215 |
| Decongnised during the year | 1,763 | (5) |
| **Subtotal** | **4,948** | **2,291** |
| **Closing balance** | **29,849** | **24,840** |

**Note:**

For the information of lease liabilities and other disclosures see note no. 29

## 15 Goodwill

₹ / Lakh

| Particulars | Total |
|---|---|
| **Net carrying value** | |
| Balance as at 01 April, 2022 | 3,031 |
| Movement during the year | - |
| **Balance as at 31 March, 2023** | **3,031** |
| Movement during the year | - |
| **Balance as at 31 March, 2024** | **3,031** |

**Note:**

**(i) Goodwill on account of acquisitions**

During the year ended 31 March, 2022, the subsidiary company Dixon Electro Appliances Private Limited, had purchased the business by entering into a Business Transfer Agreement (BTA) with Beetel Teletech Limited on a going concern basis by way of slump sale with effect from the closing of business hours of 21 December 2021 for a total consideration of ₹4,080, lakhs.

**(ii) Impairment of Goodwill with indefinite useful life**

The subsidiary company Dixon Electro Appliances Private Limited has single Cash Generating Unit (CGU).The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 12.00% per annum.

However, the management has assessed the company's goodwill at the end of the year and found no indication of impairment as of 31 March, 2024.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 16 Investments

### A. Non-current investments

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | Number of Shares | ₹ / Lakh | Number of Shares | ₹ / Lakh |
| **i. Investment in equity instrument** | | | | |
| **a. In jointly controlled entities** | | | | |
| **(Unquoted, at cost)** | | | | |
| Rexxam Dixon Electronics Private Limited | 60,00,000 | 1,850 | 60,00,000 | 829 |
| Equity shares of ₹ 10 Each | | | | |
| Califonix Tech And Manufacturing Private Limited | | - | 50,50,000 | 432 |
| Equity shares of ₹ 10 Each | | | | |
| | | **1,850** | | **1,261** |
| **b. Others** | | | | |
| (unquoted) | | | | |
| (fair value through profit and loss) | | | | |
| Amplus RJ Solar Private Limited | 15,36,800 | 154 | 15,36,800 | 154 |
| | | **154** | | **154** |
| **Total** | | **2,004** | | **1,415** |
| Aggregate carrying value of unquoted investments | | 2,004 | | 1,415 |
| Aggregate amount of impairment in the value of investments | | - | | - |

**Notes:**

I. No investment is pledged as security by the Group.

II. Information of jointly controlled companies

| S. No. | Name of the Company | Principal Activity | Place of incorporation | Place of business | Percentage of ownership interest | |
|---|---|---|---|---|---|---|
| | | | | | As at 31 March, 2024 | As at 31 March, 2023 |
| i. | Rexxam Dixon Electronics Private Limited | Manufacturing | Noida, India | Noida, India | 40% | 40% |
| ii. | Califonix Tech and Manufacturing Private Limited* | Manufacturing | Noida, India | Noida, India | - | 50% |
| iii. | AIL Dixon Technologies Private Limited | Manufacturing | Noida, India | Andhra Pradesh | 50% | 50% |

*During the year, Califonix Tech and Manufacturing Private Limtied is considered as subsidiary on the basis of control obtained.

### III. Operation details of jointly controlled companies

#### i. Rexxam Dixon Electronics Private Limited

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Income | 14,501 | 9,547 |
| Expenses | 13,288 | 9,233 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 16 Investments (Contd..)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Assets | 10,658 | 11,417 |
| Liabilities | 8,807 | 10,587 |
| Contingent liabilities | 45 | 90 |
| Commitments (net of advance) | 1 | 2 |

**Note:**

a) The operations are disclosed to the extent of the share of the Company.

b) The information disclosed above is based on the latest audited financial statement of the company.

### ii. Califonix Tech and Manufacturing Private Limited

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Income | - | - |
| Expenses | - | 73 |

₹ / Lakh

| Particularss | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Assets | - | 1,826 |
| Liabilities | - | 1,394 |
| Contingent liabilities | - | - |
| Commitments (net of advance) | - | 336 |

**Note:**

a) The operations are disclosed to the extent of the share of the Company.

b) The information disclosed above is based on the latest audited financial statement of the company.

c) During the current year, the Group obtained the control of the Company and considered as subsidary.

### iii. AIL Dixon Technologies Private Limited

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Income | 63,271 | 49,244 |
| Expenses | 62,563 | 48,008 |

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Assets | 32,159 | 30,993 |
| Liabilities | 28,452 | 27,712 |
| Contingent liabilities | 3,328 | 1,568 |
| Commitments (net of advance) | - | 10 |

**Note:**

a) The operations are disclosed to the extent of the share of the Company

b) The information disclosed above is based on the latest audited financial statement of the company.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 16 Investments (Contd..)

### B. Current investments

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No. of Units | ₹ / Lakh | No. of Units | ₹ / Lakh |
| **i. Investment in mutual fund** | | | | |
| (Quoted, carried at fair value through profit and loss) | | | | |
| - SBI Overnight Fund-Regular Growth | - | - | 83,154 | 3,000 |
| | - | - | **83,154** | **3,000** |

Measurment of Investments

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Investment carried at amortised cost | - | - |
| Investment carried at fair value through profit and loss "FVTPL" | - | 3,000 |
| Investment carried at fair value through other comprehensive income "FVTOCI" | - | - |
| **Aggregate carrying value of quoted investments** | **-** | **3,000** |

## 17 Other financial assets

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non-current** | | |
| a. Amount paid under protest to government authorities | 2,039 | 1,771 |
| b. Security deposits | 2,033 | 1,583 |
| c. Bank deposits with more than 12 months maturity | 142 | 129 |
| | **4,214** | **3,483** |
| **II. Current** | | |
| a. Security deposits | 17 | 6 |
| b. Advances to employees | 169 | 220 |
| c. Incentive and refund receivables from government authorities | 31,205 | 8,714 |
| d. Outstanding forward Marked to Market (MTM) | 52 | - |
| e. Other receivables | 424 | 51 |
| | **31,867** | **8,991** |

## 18 Deferred tax assets (Net)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. Deferred tax assets** | | |
| - Expenses allowed on payment basis | 428 | - |
| - Lease liabilities | 453 | - |
| | **881** | **-** |
| **b. Deferred tax liability** | | |
| - Difference between tax depreciation and depreciation/amortisation charged in financial statement | 689 | - |
| | **689** | **-** |
| | **192** | **-** |

**Note:**

For deferred tax movement and tax reconciliation refer note 45.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 19 Other assets

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non-current** | | |
| a. Capital advances | 2,648 | 12,784 |
| b. Other advances considered doubtful | 86 | 67 |
| Less : Provision for doubtful advances | (86) | (67) |
| | - | - |
| | **2,648** | **12,784** |
| **II. Current** | | |
| a. Balance with government authorities (see note below) | 19,046 | 4,748 |
| b. Advances to suppliers | 8,487 | 5,985 |
| c. Prepaid expenses | 1,565 | 858 |
| | **29,098** | **11,591** |

**Note:**

Balance with government authorities includes goods and service tax, custom duty etc.

## 20 Inventories

(Valued at lower of cost and net realisable value)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Raw materials, store and spares and packing materials etc. | | |
| - in stock | 1,14,668 | 66,309 |
| - in transit | 20,204 | 5,196 |
| b. Work-in-progress | 20,062 | 13,481 |
| c. Finished goods | 14,567 | 10,801 |
| | **1,69,501** | **95,787** |

**Note:** For details of inventories pledged as security for borrowings, refer note 47

## 21 Trade receivables

(unsecured)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. from related parties (see note 56) | 110 | 5,779 |
| b. from others | 2,31,808 | 1,65,815 |
| | **2,31,917** | **1,71,594** |
| Less: Allownaces for doubtful debts | 129 | 49 |
| | **2,31,788** | **1,71,545** |

**Note:**

For details of trade receivables pledge as security for borrowings see note no. 47

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 21 Trade receivables (Contd..)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Trade receivables** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 2,31,788 | 1,71,545 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | 129 | 49 |
| | **2,31,917** | **1,71,594** |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | - |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - credit impaired | 129 | 49 |
| | **129** | **49** |
| **Trade receivables (net)** | **2,31,788** | **1,71,545** |

Ageing for trade receivables - billed – current outstanding as at 31 March, 2024 is as follows:

₹ / Lakh

| Particulars | Current but not due | Outstanding for the following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less then 6 Month | 6 - 12 month | 1-2 Years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables– considered good | 1,81,981 | 48,313 | 946 | 548 | - | - | 2,31,788 |
| Undisputed Trade Receivables– which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade Receivables– credit impaired | - | - | - | 114 | - | 15 | 129 |
| Disputed Trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade receivables – credit impaired | - | - | - | - | - | - | - |
| | **1,81,981** | **48,313** | **946** | **662** | **-** | **15** | **2,31,917** |

Ageing for trade receivables - billed – current outstanding as at 31 March, 2023 is as follows:

₹ / Lakh

| Particulars | Current but not due | Outstanding for the following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less then 6 Month | 6 - 12 month | 1-2 Years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables– considered good | 1,25,104 | 45,078 | 1,309 | 54 | - | - | 1,71,545 |
| Undisputed Trade Receivables– which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade Receivables– credit impaired | - | - | - | 34 | - | 15 | 49 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 21 Trade receivables (Contd..)

₹ / Lakh

| Particulars | Current but not due | Outstanding for the following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less then 6 Month | 6 - 12 month | 1-2 Years | 2-3 years | More than 3 years | |
| Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade Receivables– credit impaired | - | - | - | - | - | - | - |
| | **1,25,104** | **45,078** | **1,309** | **88** | **-** | **15** | **1,71,594** |

**Notes:**

i. The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.

ii. Trade receivables ageing have been disclosed on due basis.

iii. There is no unbilled trade receivables at the year end.

## 22 Cash and cash equivalents

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Balances with banks | | |
| - in current accounts | 19,763 | 21,412 |
| - in escrow accounts | 248 | 248 |
| b. Cash on hand | 37 | 44 |
| | **20,048** | **21,704** |

**Note:** There are no cash and cash equivalent balances held by the entity that are not available for use by the Group

## 23 Bank balances other than cash and cash equivalents

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Margin money deposits (see note below) | 815 | 1,213 |
| b. Balance in earmarked account -unpaid dividend accounts | 2 | 1 |
| | **817** | **1,214** |

**Note**

The Marging money are ear marked and is not available for use by the Company as per term of contract.Margin Money deposit balances are more than 3 month but less than 12 months. Margin money is held against letter of credit, bank guarantee, submitted with various taxation departments.

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 24 Loans

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Current** | | |
| (Unsecured, considered good) | | |
| a. Loan | | |
| - to joint ventures (see note 56) | 200 | - |
| | **200** | **-** |

**Notes**

i. Disclosures of inter corporate loans as required by section 186(4) of the Companies Act, 2013 are as follows :

₹ / Lakh

| Particulars | Rate of Interest | Due Date | Secured/ Unsecured | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|---|---|
| **(For woking capital facility)** | | | | | |
| AIL Dixon Technologies Private Limited | 11.00% | Repayable on demand | Unsecured | 200 | - |
| | | | | **200** | **-** |

ii. Disclosure of loans and advances in the nature of loans given to joint venture and other companies in which directors are interested as required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

₹ / Lakh

| Particulars | Amount outstanding | |
|---|---|---|
| | As at 31 March, 2024 | As at 31 March, 2023 |
| **Loans repayable on demand** | | |
| i. AIL Dixon Technologies Private Limited | 200 | - |
| (Maximum amount outstanding during the year ₹ 200 Lakh (Previous year ₹ Nil lakh)) | | |
| | **200** | **-** |

## 25 Current tax assets

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. Advance income tax (net) | 309 | 95 |
| | **309** | **95** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 26 Equity share capital

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No of shares | ₹ / Lakh | No of shares | ₹ / Lakh |
| **Authorised** | | | | |
| Equity shares of ₹ 2 each | 13,00,00,000 | 2,600 | 13,00,00,000 | 2,600 |
| **Issued, subscribed and paid-up** | | | | |
| Equity shares of ₹ 2 each fully paid up | 5,98,21,595 | 1,196 | 5,95,60,165 | 1,191 |
| | **5,98,21,595** | **1,196** | **5,95,60,165** | **1,191** |
| **a. Reconciliation of equity shares** | | | | |
| Balance as at the beginning of the year | 5,95,60,165 | 1,191 | 5,93,41,935 | 1,187 |
| Share issued under employees stock option scheme | 2,61,430 | 5 | 2,18,230 | 4 |
| **Balance as at the end of the year** | **5,98,21,595** | **1,196** | **5,95,60,165** | **1,191** |

### b. Terms and rights of equity shareholders

The Holding Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the annual general meeting except in the case of interim dividend.

### c. Details of shares held by share holders holding more than 5% of the aggregate shares in the Holding Company.

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No of shares | % holdings | No of shares | % holdings |
| Mr. Sunil Vachani | 37,11,411 | 6.20% | 1,57,47,644 | 26.44% |
| Mrs. Kamla Vachani | 40,44,250 | 6.76% | 43,40,244 | 7.29% |
| Mrs. Gayatri Vachani | 38,87,561 | 6.50% | 38,87,581 | 6.53% |
| PSV family trust** | 94,49,786 | 15.80% | - | - |
| Life Insurance Corporation of India | - | - | 34,09,395 | 5.72% |
| | **2,10,93,008** | **35.26%** | **2,73,84,864** | **45.98%** |

### d Details of share held by Promoters*

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | | % change during the period |
|---|---|---|---|---|---|
| | No of shares | ₹ / Lakh | No of shares | ₹ / Lakh | |
| **Promotor Name** | | | | | |
| Mr. Sunil Vachani | | | | | |
| No's of shares | 37,11,411 | 74 | 1,57,47,644 | 315 | |
| % holding | 6.20% | 6.20% | 26.44% | 26.44% | -20.24% |
| **Promotor's Group** | | | | | |
| Mrs. Gayatri Vachani | | | | | |
| No's of shares | 38,87,561 | 78 | 38,87,581 | 78 | |
| % holding | 6.50% | 6.50% | 6.53% | 6.53% | -0.03% |
| Mr. Suresh Vaswani | | | | | |
| No's of shares | 5,76,573 | 12 | 6,36,277 | 13 | |
| % holding | 0.96% | 0.96% | 1.07% | 1.07% | -0.11% |
| PSV family trust** | | | | | |
| No's of shares | 94,49,786 | 189 | - | - | |
| % holding | 15.80% | 15.80% | - | - | 15.80% |
| KSV family trust** | | | | | |
| No's of shares | 23,62,447 | 47 | - | - | |

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 26 Equity share capital (Contd..)

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | | % change during the period |
|---|---|---|---|---|---|
| | No of shares | ₹ / Lakh | No of shares | ₹ / Lakh | |
| % holding | 3.95% | 3.95% | - | - | 3.95% |
| Mr. Kamal Vachani | | | | | |
| No's of shares # | 3,802 | - | 3,802 | - | |
| % holding | 0.01% | 0.01% | 0.01% | 0.01% | 0.00% |
| Mr. Ravi Vachani | | | | | |
| No's of shares ## | 10,280 | - | 7,527 | - | |
| % holding | 0.02% | 0.02% | 0.01% | 0.01% | 0.01% |

* As defind under the Companies Act, 2013, but does not include person considered as Promoter group as per Regulations 2 (1) (zb) of SEBI ICDR Regulations.

** PSV Family Trust and KSV Family Trust formed part of the Promoter group with effect from 21st November, 2023 wherein Mr. Sunil Vachani and Mrs. Gayatri Vachani are the Trustees to the said trusts.

# share held of ₹ 0.08 lakh (previous year ₹ 0.08 Lakh)

## share held of ₹ 0.21 lakh (previous year ₹ 0.15 Lakh)

### e. Summary of dividend and proposed dividend

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Cash dividends on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2023: ₹ 3 per share (previous year ₹ 2 per share) | 1,787 | 1,189 |
| | **1,787** | **1,189** |
| **Proposed dividends on Equity shares** | | |
| Final dividend for the year ended on 31 March 2024: ₹ 5 per share (previous year ₹ 3 per share) | 2,991 | 1,787 |
| | **2,991** | **1,787** |

The Board of Directors have recommended a final dividend of 250% (₹ 5 per Equity Share of ₹ 2 each) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date- Nil

### g. Shares held by Holding company

The Company does not have any Holding Company.

### h. Shares reserved for issue under employee stock option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 52. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the group on or before the vesting date.

| Particulars | No of shares | |
|---|---|---|
| | As at 31 March, 2024 | As at 31 March, 2023 |
| No. of share reserved | 25,67,960 | 8,80,430 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 27 A. Other equity

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| a. General reserve | 4,103 | 3,044 |
| b. Securities premium | 31,262 | 26,578 |
| c. Capital redemption reserve | 33 | 33 |
| d. Other comprehensive income | (91) | (187) |
| e. Share option outstanding account | 1,846 | 1,684 |
| f. Retained earnings | 1,31,136 | 96,148 |
| | **1,68,289** | **1,27,300** |
| **a. General reserve** | | |
| Opening balance | 3,044 | 2,451 |
| Transfer for share option exercised during the year | 1,059 | 593 |
| **Closing balance** | **4,103** | **3,044** |
| **b. Securities premium** | | |
| Opening balance | 26,578 | 23,226 |
| Add: Premium on issue of share under employees stock option scheme (see note 52) | 4,684 | 3,352 |
| **Closing balance** | **31,262** | **26,578** |
| **c. Capital redemption reserve** | | |
| Opening balance | 33 | 33 |
| **Closing balance** | **33** | **33** |
| **d. Other comprehensive income** | | |
| Remeasurement of defined benefit plans | | |
| Opening balance | (187) | (99) |
| Movement during the year | 95 | (89) |
| **Closing balance** | **(91)** | **(187)** |
| **e. Share option outstanding account** | | |
| Opening balance | 1,684 | 1,095 |
| Add : Granted/ vested during the year | 1,221 | 1,182 |
| Less : Exercised during the year (Refer note 52) | 1,059 | 593 |
| **Closing balance** | **1,846** | **1,684** |
| **f. Retained earnings** | | |
| Opening balance | 96,148 | 71,785 |
| Add : Profit for the year | 36,775 | 25,552 |
| **Less: Appropriation** | | |
| - Final dividend on equity shares for the year ended 31 March, 2023 (₹ 3 per share) | (1,787) | - |
| - Final dividend on equity shares for the year ended 31 March, 2022 (₹ 2 per share) | - | (1,189) |
| **Closing balance** | **1,31,136** | **96,148** |

**Notes:**

**a. General reserve:**

The Group had transferred a part of the net profit of the Group to general reserve in earlier years. It also includes amount transferred to general reserve for share option exercised during the year and earlier years.

**b. Share premium:**

The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium. It can be used for issue of bonus shares, write- off of equity related expenses etc.

**c. Capital Redemption reserve:**

The reserve has been created by buy back of equity shares and fully convertible cumulative participatory preference shares

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 27 A. Other equity (Contd..)

**d. Other comprehensive income:**

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

**e. Share option outstanding account:**

The above reserve relates to share options granted by the Group to its employees under its employee share option plan.

**f. Retained earnings:**

Retained earnings are profits of the Group earned till date less transferred to other reserves and dividend paid during the year.

## 27 B. Non-controlling interest

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Non-Controlling interest | 2,761 | (28) |
| | **2,761** | **(28)** |
| Opening balance | (28) | 55 |
| Profit/(loss) for the year | 717 | (44) |
| Other comprehensive income for the year | (9) | (39) |
| Additional non-controlling interest arising on acquisition of control of Joint Venture | 2,081 | - |
| **Closing Balance** | **2,761** | **(28)** |

## 28 Borrowings

**(at amortised cost)**

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Non Current** | | |
| **i. From banks** | | |
| **(Secured)** | | |
| **Term Loan** | | |
| - HDFC Bank Limited (see note 'I below) | 11,264 | 14,276 |
| - Indusind Bank Limited (see note 'II' below) | 2,355 | 1,952 |
| | **13,619** | **16,228** |
| **ii. From others** | | |
| **(Secured)** | | |
| - Tata Capital Housing Finance Limited (see note 'III' below) | 100 | 120 |
| | **100** | **120** |
| **iii. Deferred payment liabilities** | | |
| **(Secured)** | | |
| - Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) (see note 'IV' below) | 502 | 502 |
| | **502** | **502** |
| **iv. Preference shares -from related parties** | | |
| - Non-cumulative, compulsorily redeemable preference shares (see note 'V') | 882 | 882 |
| | **882** | **882** |
| **Total** | **15,103** | **17,732** |
| Less: Current maturities of long term borrowings (refer note 35) | 3,843 | 3,209 |
| | **11,260** | **14,523** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 28 Borrowings (Contd..)

**Notes:**

I. a. Term loan from HDFC Bank Limited

₹ / Lakh

| Particulars | Term loan-1 | Term loan-2 | Term loan-3 | Term loan-4 |
|---|---|---|---|---|
| A. Outstanding balance as at 31 March, 2024 | 1,241 | 4,598 | 2,406 | 3,019 |
| Outstanding balance as at 31 March, 2023 | 1,382 | 5,700 | 3,781 | 3,413 |
| B. Rate of Interest | 6 month MCLR+0.60% | Repo Rate +1.06% with quarterly reset | Rate of Interest is 6 months MCLR plus 60 BPS. | Rate of Interest is Linked with 3 Month Repo. |
| C. Terms of repayment | Repayable in 5 years including one year of moratorium followed by 20%, 20%, 30%, and 30% repayment in 2nd, 3rd, 4th and 5th year respectively | Repayable in 6.5 years including one and half year of moratorium followed by 10%, 15%, 15%, 30% and 30% repayment in 1st, 2nd, 3rd, 4th and last year respectively. | Repayable in 16 equal quarterly installment starting from March, 2022 to December, 2025. | Repayable in 22 quarterly installment starting from March, 2023 to June, 2028 |

b. Security details of term loan from HDFC Bank Limited are as follows:

Term loan-1

- Secured against first pari - passu charge on all movable fixed assets of the company (except those charged exclusively to other lenders)
- exclusive charge on movable fixed assets of unit located at plot no. 262 M, Industrial Area, Central Hope Town, Selaqui, Dehradun (both present and future)
- first pari passu charge over moveable fixed assets of the unit located at C-3/1, Selaqui Industrial Area Dehradun
- exclusive charge on immovable property located at Plot No C-2/1, UPSIDC Industrial Area, Selaqui, vikas Nagar, Dehradun, Uttarakhand

Term loan-2

- secured against first pari passu charge on all movable fixed assets of the company (except those exclusively charged with other banks).
- exclusive charge on immovable fixed assets of the company located at Khasra No. 1050/2, 1050/6, 1050/7, 1050/8, 1050/9 situated at Mauza East Hope Town, Tehsil Vikas Nagar, Pargana- Pachwa Doon, District – Dehradun (Uttrakhand)
- 25% of FD margin for letter of credit 3 facility

Term loan-3

Primary security for the loan is Corporate Guarantee from holding company and exclusive charge on movable Property, Plant and Equipment of the Padget Electronics Private Limited.

Term loan-4

Primary security for the loan is Corporate Guarantee from holding company and exclusive charge on movable Property, Plant and Equipment of the Padget Electronics Private Limited.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 28 Borrowings (Contd..)

### II. Term loan from Indusind Bank Limited

a. The Group has obtained credit facility by way of Term Loan of ₹ 5,000 lakhs (Sanctioned amount) during the current financial year out of which the Group has used credit facility of ₹ 2,355 lakhs as on 31 March, 2024

b. Rate of interest: Rate of interest was floating interest rate of 5.15% p.a. linked to 1 year T-bill + 0.68% p.a. Spread with annual reset of basis and effective rate as on 31st March 2024 is 8.41% p.a. which is linked to 3 Month T Bill + 1.35% p.a. with reset on 3rd month from date of disbursement of respective tranche.

c. Security details: Exclusive Charge on movable and immovable fixed assets of the company situated at Plant No 1-4, Rural Industrial Complex, Humbran, Ludhiana, Punjab.

d. Term of repayment: Repayable in 23 quarterly instalments from June 2024 to December 2029.

### III. Term loan from Tata Capital Housing Finance Limited

Rate of interest

Rate of interest is bearing of 12.25% p.a.

Repayment term

Repayable in 120 monthly installments from August' 2017 to August' 2027

Security

Loan is secured by mortgage of the related asset Unit no. 2, TH-1, Rajpura Dehradun

### IV. Deferred liability payment to Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC)

The Group entered into an agreement with APIIC (Andhra Pradesh Industrial Infrastructure Corporation) for a land comprising of 4 sheds, located at Plot No. 65A in YSR, EMC, Kopparthy. The initial lease term is of 10 years which can be extended upto 99 years, and the total land area measures 38,986.63 square meters for an allotment value of ₹ 1,010 lakh against which the company made an upfront payment of ₹ 508 lakh and the balance of ₹ 502 lakh is to be paid over a period of 3 years starting and last instalment to be paid in financial year 2025-26 and the Interest is being levied at 7% p.a.of the allotment price. For deferred liability payment no assets have been pledged or mortgaged against the deferred payment allowed by the authority.

### V Non-cumulative, compulsorily redeemable preference shares

a. The Group has issued 88,20,000 (No's) of 6% unsecured non cumulative, compulsorily redeemable preference Shares of ₹10 each (face value) for an aggregate consideration of ₹882 lakhs on right basis to the existing equity shareholders i.e. Beetel Teletech Limited.

b. Other terms:

- Non-cumulative dividend right.
- Compulsorily redeemable on completion of 10 years from the date of allotment
- Carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up and will be non-participating in surplus funds assets and profits, on winding up which may remain after the entire capital is repaid.

c. Details of preference shares holders are as below:

₹ / Lakh

| Particulars | As at 31 March, 2024 | | |
|---|---|---|---|
| | No of shares | Amount | % holding |
| Beetel Teletech Limited | 88,20,000 | 882 | 49% |
| | 88,20,000 | 882 | 49% |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 28 Borrowings (Contd..)

### VI Term of repayment of long term borrowings

| Particulars | As at 31 March, 2024 | | As at 31 March, 2023 | |
|---|---|---|---|---|
| | No. of Installments | ₹ / Lakh | No. of Installments | ₹ / Lakh |
| **Secured monthly repayment** | | | | |
| Less than 1 year | 12 | 21 | 12 | 19 |
| Due 1 to 5 years | 37 | 79 | 48 | 100 |
| More than 5 years | - | - | 1 | 1 |
| **Secured quarterly repayment** | | | | |
| Less than 1 year | 28 | 3,487 | 45 | 3,023 |
| Due 1 to 5 years | 60 | 9,635 | 118 | 12,118 |
| More than 5 years | 3 | 497 | 8 | 1,087 |
| **Secured half yearly repayment** | | | | |
| Less than 1 year | - | - | - | - |
| Due 1 to 5 years | - | - | - | - |
| More than 5 years | - | - | - | - |
| **Secured annual repayment** | | | | |
| Less than 1 year | 2 | 335 | 1 | 167 |
| Due 1 to 5 years | 1 | 167 | 2 | 335 |
| More than 5 years | - | - | - | - |
| **Unsecured annual repayment** | | | | |
| Less than 1 year | - | - | - | - |
| Due 1 to 5 years | - | - | - | - |
| More than 5 years | 1 | 882 | 1 | 882 |
| | | **15,103** | | **17,732** |

**VII** a. The Group has not defaulted in the repayment of dues to its lenders.

b. Borrowings from banks, financial institution and others have been used for the specific purpose for which it was taken at the balance sheet date.

c. In Padget Electronics Private Limited, partial charge is pending to be registered for amount sanctioned from Yes bank Limited. and SBM Bank Limited due to pending execution of documents. Further partial charge is pending to be satisfied for Kotak Mahindra Bank and Indusind Bank Limited.

## 29 Lease liabilities

**(see note below)**

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A) Non Current** | | |
| a. Lease liabilities | 31,199 | 25,283 |
| | **31,199** | **25,283** |
| **B) Current** | | |
| a. Lease liabilities | 2,196 | 1,764 |
| | **2,196** | **1,764** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 29 Lease liabilities (Contd..)

### I Movement in lease liabilities during the year:

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. Lease liabilities** | | |
| - Non current | 31,199 | 25,283 |
| - Current | 2,196 | 1,764 |
| | **33,395** | **27,047** |
| **b. Balance at the beginning of the year** | 27,047 | 20,891 |
| Additions during the year | 10,000 | 7,419 |
| | **37,047** | **28,310** |
| **Finance cost accrued during the year** | | |
| - Capital work in progress | 172 | 196 |
| - Statement of profit and loss account | 2,475 | 1,595 |
| Total cash outflow | (4,279) | (3,057) |
| Decongnised during the year | (2,020) | 3 |
| **Balance as at end of the year** | **33,395** | **27,047** |

c. Maturity analysis of lease liabilities:

i. The table below provides details regarding the maturities of lease liabilities are as follows:

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| 0- 3 months | 493 | 429 |
| 3-6 months | 622 | 479 |
| 6-12 months | 1,080 | 856 |
| 1-3 years | 5,977 | 4,651 |
| 3-5 years | 6,485 | 5,001 |
| Above 5 years | 18,738 | 15,631 |
| **Total** | **33,395** | **27,047** |

ii. The table below provides details regading of lease liabilites on undiscounted basis

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| 0- 3 months | 986 | 781 |
| 3-6 months | 1,306 | 981 |
| 6-12 months | 2,317 | 1,829 |
| 1-3 years | 10,190 | 8,039 |
| 3-5 years | 9,483 | 7,143 |
| Above 5 years | 77,158 | 74,607 |
| **Total** | **1,01,439** | **93,379** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 29 Lease liabilities (Contd..)

### d. Expense recognised in the statement of profit and loss

₹ / Lakh

| Particulars | Note No | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|
| Depreciation charge for right-of-use assets by class of underlying asset | 43 | 3,143 | 2,215 |
| Interest expense on lease liabilities. | 42 | 2,475 | 1,595 |
| The expense relating to short-term leases including leaseswith a lease term of one month or less | 44 | 297 | 702 |
| Payment of lease liabilities | 29 | 4,279 | 3,057 |
| Total cash outflow for leases. | | 4,576 | 3,759 |
| Additions to right-of-use assets | 14 | 9,957 | 7,541 |
| Gains or losses arising from lease modification/closure | 38 | 247 | - |
| The carrying amount of right-of-use assets | 14 | 29,849 | 24,840 |

i. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. Lease contracts entered by the Group majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

iii. 6% to 9% of interest rate implicit in the lease or lessee's incremental borrowing rate used for the measurement of lease liabilities.

## II Disclosures for operating leases other than leases coverd in Ind AS 116

i. The Group has entered into cancellable operating leases and transactions for leasing of accommodation for factory building, service centre, office space, godown, transit house etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

ii. The Group has given its properties on lease to one party. Tenure of leases is 14 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

₹ / Lakh

| Particulars | See Note | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **a. As a lessee (expenses)** | | | |
| Factory building, godown, office space, service centre and transit house | 44 | 297 | 702 |
| **b. As a lessor (income)** | | | |
| Factory building | 37 | 134 | 104 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 30 Trade payables

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non-Current** | | |
| a. Total outstanding dues of micro and small enterprises (see note 'i' below) | - | - |
| b. Total outstanding dues to creditors other than micro and small enterprises | 546 | - |
| | **546** | **-** |

**Note:**

i. For detailed disclosure of micro and small enterprises see note 48

ii. Trade payable to related parties see note 56

**Ageing for trade payables outstanding as at 31 March, 2024 is as follows:**

₹ / Lakh

| Particulars | Not due | Outstanding for the following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 546 | - | - | - | - | 546 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **546** | **-** | **-** | **-** | **-** | **546** |
| Accrued expenses | - | - | - | - | - | - |
| | **546** | **-** | **-** | **-** | **-** | **546** |

**Ageing for trade payables outstanding as at 31 March, 2023 is as follows:**

₹ / Lakh

| Particulars | Not due | Outstanding for the following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | | | | | |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** |
| Accrued expenses | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 30 Trade payables (Contd..)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **II. Current** | | |
| a. Total outstanding dues of micro and small enterprises (see note 'i' below) | 4,599 | 8,709 |
| b. Total outstanding dues to creditors other than micro and small enterprises | 4,01,376 | 2,36,479 |
| | **4,05,975** | **2,45,188** |

**Note:**

i. For detailed disclosure of micro and small enterprises see note 48

ii. Trade payable to related parties see note 56

Ageing for trade payables outstanding as at 31 March, 2024 is as follows:

₹ / Lakh

| Particulars | Not due | Outstanding for the following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 4,527 | 69 | 3 | - | - | 4,599 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,98,102 | 97,686 | 2,610 | 59 | 104 | 3,98,561 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **3,02,629** | **97,755** | **2,613** | **59** | **104** | **4,03,160** |
| Accrued expenses | - | - | - | - | - | 2,815 |
| | **3,02,629** | **97,755** | **2,613** | **59** | **104** | **4,05,975** |

Ageing for trade payables outstanding as at 31 March, 2023 is as follows:

₹ / Lakh

| Particulars | Not due | Outstanding for the following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 8,355 | 354 | - | - | - | 8,709 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,55,624 | 75,327 | 223 | 55 | 226 | 2,31,455 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **1,63,979** | **75,681** | **223** | **55** | **226** | **2,40,164** |
| Accrued expenses | - | - | - | - | - | 5,024 |
| | **1,63,979** | **75,681** | **223** | **55** | **226** | **2,45,188** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 31 Other financial liabilities

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non-current** | | |
| a. Payable for property, plant and equipment | 4,347 | - |
| | **4,347** | **-** |
| **II. Current** | | |
| a. Outstanding forward Marked to Market (MTM) | 3 | 168 |
| b. Unclaimed dividend | 2 | 1 |
| c. Dividend payable on non-cumulative, compulsorily redeemable preference shares | 97 | - |
| d. Interest accrued but not due on borrowings | 107 | 54 |
| e. Payable for property, plant and equipment | 12,265 | 5,788 |
| f. Amount refundable to customers | 36,836 | 22,645 |
| g. Others | 1,003 | 486 |
| | **50,313** | **29,142** |

## 32 Provisions

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A) Non Current** | | |
| a. Provision for employee benefit | | |
| i. For gratuity (see note 53) | 1,905 | 1,584 |
| ii. For compensated absences | 233 | 142 |
| | **2,138** | **1,726** |
| **B) Current** | | |
| a. Provision for employee benefits | | |
| i. For gratuity (see note 53) | 235 | 235 |
| ii. For compensated absences | 90 | 55 |
| b. Provision for warranty (see note below) | 307 | 568 |
| | **632** | **858** |
| **Note:** | | |
| **Movement in provision for warranty** | | |
| Opening balance | 568 | 535 |
| Addition provision made during the year | 749 | 675 |
| Claim paid / adjustments during the year | 1,010 | 642 |
| Closing provision | **307** | **568** |

**Basis of warranty:**

The Company provides eighteen months warranty on lighting products and washing machines to specific customers. Lighting products are replaced with new product and in respect of washing machines, defective parts are changed/repaired.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 33 Deferred tax (net)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **A. Deferred tax liabilities (net)** | | |
| **a. Deferred tax liability** | | |
| - Written down value of property, plant and equipment, intangible assets and right to use | 7,683 | 7,024 |
| | **7,683** | **7,024** |
| **b. Deferred tax assets** | | |
| - Arising on account of timing differences in accrued expenses and provisions | 647 | 425 |
| - lease liabilities | 4,446 | 4,360 |
| | **5,093** | **4,785** |
| | **2,590** | **2,240** |

**Note:**

For deferred tax movement and tax reconciliation refer note 45.

## 34 Other liabilities

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **I. Non Current** | | |
| a. Deferred grant (see note 'i' below) | 1,657 | 1,609 |
| | **1,657** | **1,609** |
| **Note:** | | |
| i. Movement in deferred grant during the year: | | |
| **Deferred Grant:** | | |
| Balance at the beginning of the year | 1,609 | 1,491 |
| Capital grant recognised during the year | 247 | 360 |
| | **1,856** | **1,851** |
| Less: Depreciation pertaining to assets acquired from grant | 199 | 242 |
| | **1,657** | **1,609** |
| **II. Current** | | |
| a. Advances received from customers | 3,856 | 7,721 |
| b. Statutory dues | 4,878 | 4,421 |
| | **8,734** | **12,142** |

## 35 Short-term borrowings

**(at amortised cost)**

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. From Banks (Secured)** | | |
| i. Working capital demand loan (see note 'I' below) | - | 530 |
| **b. From others (unsecured)** | | |
| i. Aditya Infotech Limited (see note 'II' below) | 400 | - |
| **c.** Current maturities of long term borrowings (see note "IV" below) | 3,843 | 3,209 |
| | **4,243** | **3,739** |

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 35 Short-term borrowings (Contd..)

**Notes:**

**I. Working capital demand loan**

a. The Group has availed working capital demand loan with of ₹3,000 lakhs (sanctioned limit) repayable on demand bearing a floating interest rate 1 month MCLR. (Effective rate is 8.65% p.a.)

b. Security details :

Exclusive charge on current assets of the company, both present and future.

**II.** a. **Repayment Term:** On or before expiry of 1 year from the date of agreement i.e. 20 November, 2023.

b. **Rate of Interest:** Fixed rate of 11% p.a. payable at quarterly rest.

**III. Other notes**

a. The Company has not defaulted in the repayment of dues to its lenders,

b. No charge or satisfaction of charge is pending for registration with Registrar of Companies (RoC) .

c. Borrowings from banks/ financial institution have been used for the specific purpose for which it was obtained.

d. There were no material differences between the books of accounts and quarterly returns / statements filed with such banks/ financial institutions for the period upto 31 December 2023. The Company is yet to file the statement for the quarter ended 31 March 2024 and the same will be submitted after the approval of the financial statements.

**IV.** For security clause and repayment terms of borrowings, refer note 28.

## 36 Current tax liabilities

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Current tax liabilities (net) | 1,069 | 1,266 |
| | **1,069** | **1,266** |

## 37 Revenue from operations

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Sale of products | 17,49,785 | 12,03,879 |
| b. Sale of services | 11,606 | 13,456 |
| c. Other operating revenues | 7,699 | 1,866 |
| | **17,69,090** | **12,19,201** |
| **A. Revenue from contracts with customers disaggregated based on nature of product or service** | | |
| **a. Revenue from sale of products** | | |
| Manufactured goods | 17,49,785 | 12,03,879 |
| | **17,49,785** | **12,03,879** |
| **b. Revenue from sale of services** | | |
| Sale of service | 2,145 | 321 |
| Job work charges | 9,461 | 13,135 |
| | **11,606** | **13,456** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 37 Revenue from operations (Contd..)

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **c. Other operating revenues** | | |
| Export incentive | 585 | 11 |
| Rent received (production facility charges) | 134 | 104 |
| Other incentive | 6,980 | 1,751 |
| | **7,699** | **1,866** |
| **Total revenue from operations** | **17,69,090** | **12,19,201** |
| **B. Revenue from contracts with customers disaggregated based on geography** | | |
| a. Domestic | 16,43,027 | 11,17,516 |
| b. Exports | 1,26,063 | 1,01,685 |
| | **17,69,090** | **12,19,201** |
| **C. Reconciliation of gross revenue from contracts with customers (sale of products)** | | |
| Gross revenue from contract with customers | 17,51,284 | 12,04,991 |
| Cash discount and credit note etc | (1,499) | (1,112) |
| **Net revenue recognised from contracts with customers** | **17,49,785** | **12,03,879** |
| | | |
| **D. Disclosure based on time** | | |
| **Sale of products** | | |
| Goods transferred at a point of time | 17,49,785 | 12,03,879 |
| | **17,49,785** | **12,03,879** |
| **Sale of services and lease** | | |
| Services transferred at a point of time | 11,740 | 13,560 |
| | **11,740** | **13,560** |
| **E. Export benefit and other incentives** | | |
| On systamatic basis when benefit accured | 7,565 | 1,762 |
| | **7,565** | **1,762** |

## 38 Other income

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **A. Interest income on:** | | |
| a. Fixed deposits (margin money) | 56 | 84 |
| b. Loans to joint ventures | 7 | 1 |
| c. Others | 49 | 44 |
| **B. Other non operating income** | | |
| a. Compensation Income | 2 | 2 |
| b. Gain on sale or fair value of mutual funds (at FVTPL) | 23 | 78 |
| c. Incentive income on government grant | 31 | 114 |
| d. Excess liabilities, credit balances, provisions etc. written back | 411 | 54 |
| e. Financial assets measured at amortised cost | 10 | 3 |
| f. Foreign exchange fluctuation gain (Net) | 954 | - |
| g. Insurance claim | - | 7 |
| h. Provision for doubtful debts / loans and advances written back | - | 3 |
| i. Gain/Loss on remeasurement of liability | 466 | - |
| j. Gain/Loss on lease modification/closure | 247 | - |
| k. Reversal of provision for impairment | - | 171 |
| | **2,256** | **561** |

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 39 Cost of materials consumed

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Raw materials at the beginning of the year | 66,309 | 83,224 |
| Add: Purchase (Including components) | 16,62,601 | 10,84,602 |
| | **17,28,910** | **11,67,826** |
| Less: Raw materials at the end of the year | 1,14,668 | 66,309 |
| | **16,14,242** | **11,01,517** |

## 40 Changes in inventories of finished goods and work-in-progress

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Finished goods | 10,801 | 9,843 |
| Work in progress | 13,481 | 14,996 |
| | **24,282** | **24,839** |
| **Inventories at the end of the Year** | | |
| Finished goods | 14,567 | 10,801 |
| Work in progress | 20,062 | 13,481 |
| | **34,629** | **24,282** |
| **Changes in inventories of finished goods and work in progress** | **(10,347)** | **557** |

## 41 Employee benefits expense

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Salaries, wages and bonus | 25,849 | 19,579 |
| b. Contribution to provident and other funds | 1,543 | 1,198 |
| c. Provision for gratuity (see note 53) | 556 | 379 |
| d. Share based payments to employees (see note 52) | 1,221 | 1,182 |
| e. Staff welfare expense | 4,098 | 2,829 |
| | **33,267** | **25,167** |

## 42 Finance costs

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Interest on borrowings | 4,661 | 4,039 |
| b. Interest on lease obligation | 2,475 | 1,595 |
| c. Other financial charges | 336 | 423 |
| | **7,472** | **6,057** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 43 Depreciation and amortisation expense

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Depreciation on property, plant and equipment | 12,434 | 8,800 |
| b. Amortisation of intangible assets | 611 | 448 |
| c. Depreciation on right of use assets | 3,143 | 2,215 |
| | **16,188** | **11,463** |

## 44 Other expenses

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| a. Consumption of stores and spares | 5,364 | 2,786 |
| b. Contractor wages and job work charges | 33,197 | 20,841 |
| c. Service charges | 1,867 | 238 |
| d. Power and fuel | 6,579 | 4,733 |
| e. Rent | 297 | 702 |
| f. Repairs and maintenance: | | |
| - for buildings | 79 | 94 |
| - for plant and equipment | 425 | 209 |
| - for others | 780 | 463 |
| g. Insurance | 1,205 | 927 |
| h. Rates and taxes | 519 | 307 |
| i. Selling and distribution expenses | 3,349 | 3,006 |
| j. Donations to others | 8 | 7 |
| k. Director's sitting fees | 19 | 27 |
| l. Payment to auditors (refer note below) | 105 | 90 |
| m. Bad debts write off | - | 10 |
| n. Provision for doubtful debts / loans and advances | 99 | - |
| o. Loss on sale of property, plant and equipment (net) | 118 | 320 |
| p. Corporate social responsibility expenses (see note 54) | 563 | 436 |
| q. Exchange fluctuations (Net) | - | 222 |
| r. Bank charges | 624 | 350 |
| s. Miscellaneous expenses | 6,968 | 4,917 |
| | **62,165** | **40,685** |
| **Note:** | | |
| Payment to auditors comprises: | | |
| **Statutory auditors** | | |
| Audit and limited review fees | 51 | 36 |
| Tax audit fees | 8 | 4 |
| Certification fees | 2 | 4 |
| Out of pocket expenses | 7 | 5 |
| | **68** | **49** |
| **Group auditors** | | |
| Audit fees and limited review fees | 22 | 19 |
| Tax audit fees | 2 | 2 |
| Certification fees | 4 | 11 |
| Out of pocket expenses | 1 | 1 |
| Payment to cost auditors | 8 | 8 |
| | **37** | **41** |
| **Total payment to auditors** | **105** | **90** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 45 Tax expense

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Current tax expense | 11,505 | 8,766 |
| Deferred tax benefit | 123 | 269 |
| | **11,628** | **9,035** |
| Income Tax for earlier years (net) | 263 | (65) |
| **Tax expenses for the year recognised in Profit and loss** | **11,891** | **8,970** |
| Tax expense recognised in other comprehensive income ('OCI') | (34) | 16 |
| | **(34)** | **16** |
| **Total** | **11,857** | **8,986** |
| **A. Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023** | | |
| Profit before tax | 49,383 | 34,478 |
| Applicable income tax rate | 25.17% | 25.17% |
| Estimated income tax expense | 12,428 | 8,677 |
| **Tax effect of adjustments to reconcile expected Income tax expense to reported** | | |
| Non taxable income/expense (net) | (113) | 102 |
| Temporary differences on which deferred tax not created | (147) | (26) |
| Income tax for earlier years | 263 | (65) |
| Others | (540) | 282 |
| | **11,891** | **8,970** |
| **Income Tax expense in the statement of profit and loss** | **11,891** | **8,970** |
| **B. Movement in the deferred tax liabilities (net):** | | |
| **Deferred tax (net)** | | |
| a. Deferred tax liability | 7,683 | 7,024 |
| b. Deferred tax assets | 5,093 | 4,785 |
| | **2,590** | **2,240** |

₹ / Lakh

| Particulars | As at 1 April, 2023 | Recognised in profit and loss | Adjustment with income tax ealier years | Recognised in OCI | As at 31 March, 2024 |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| - Written down value of property, plant and equipment, intangible assets and right to use | 7,020 | 655 | - | - | 7,675 |
| - Others | 4 | 8 | - | (4) | 8 |
| | **7,024** | **663** | **-** | **(4)** | **7,683** |
| **Deferred tax assets** | | | | | |
| - Provision for doubtful advances | 17 | 16 | - | - | 33 |
| - Provision for doubtful debts | 13 | 21 | - | - | 33 |
| - Provision for employee benefits | 381 | 58 | - | (38) | 400 |
| - lease liabilities | 4,360 | 86 | - | - | 4,446 |
| - security deposit | 14 | - | - | - | 14 |
| - Others | - | 167 | - | - | 167 |
| | **4,785** | **348** | **-** | **(38)** | **5,093** |
| | **2,240** | **315** | **-** | **34** | **2,590** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 45 Tax expense (Contd..)

₹ / Lakh

| Particulars | As at 1 April, 2022 | Recognised in Profit and loss | Adjustment with income tax ealier years | Recognised in OCI | As at 31 March, 2023 |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| - Written down value of property, plant and equipment, intangible assets and right to use | 6,625 | 395 | - | - | 7,020 |
| - Others | 4 | - | - | - | 4 |
| | **6,629** | **395** | **-** | **-** | **7,024** |
| **Deferred tax assets** | | | | | |
| - Provision for doubtful advances | 18 | (1) | - | - | 17 |
| -' Provision for doubtful debts | 10 | 3 | - | - | 13 |
| - Provision for employee benefits | 316 | 49 | - | 16 | 381 |
| - lease liabilities | 4,268 | 92 | - | - | 4,360 |
| - security deposit | 9 | 5 | - | - | 14 |
| - Others | (4) | (22) | 25 | - | - |
| | **4,617** | **126** | **25** | **16** | **4,785** |
| | **2,012** | **269** | **(25)** | **(16)** | **2,240** |

### C. Movement in the deferred tax assets (net):

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Deferred tax (net)** | | |
| a. Deferred tax assets | 881 | - |
| a. Deferred tax liabilities | 689 | - |
| | **192** | **-** |

₹ / Lakh

| Particulars | As at 1 April, 2023 | Recognised in profit and loss | Adjustment with income tax ealier years | Recognised in OCI | As at 31 March, 2024 |
|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | |
| - Expenses allowed on payment basis | - | 401 | - | - | 401 |
| - Lease liabilities | - | 453 | - | - | 453 |
| - Provision for employee benefits | - | 27 | - | - | 27 |
| | **-** | **881** | **-** | **-** | **881** |
| **Deferred tax liabilities** | | | | | |
| - Difference between tax depreciation and depreciation/amortisation charged in financial statement | - | 689 | - | - | 689 |
| | **-** | **689** | **-** | **-** | **689** |
| | **-** | **192** | **-** | **-** | **192** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 45 Tax expense (Contd..)

### D. Deferred tax recongnised in statement of profit and loss

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Recongined of Deferred tax liabilities | 315 | 269 |
| Recongined of Deferred tax assets | (192) | - |
| | **123** | **269** |

### E. Deferred tax recongnised in other comprehensive income

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Recongined of Deferred tax liabilities | (34) | 16 |
| Recongined of Deferred tax assets | - | - |
| | **(34)** | **16** |

## 46 Contingent liabilities and commitments (to the extent not provided for)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **a. Claims against the Company not acknowledged as debt** | | |
| **i. Disputed tax and other liabilities for:** | | |
| a. Income tax | 4,346 | 2,421 |
| b. Sales tax | 432 | 437 |
| c. Goods and service tax | 2,262 | 52 |
| d. Excise custom duty and service tax | 2,126 | 2,126 |
| e. Other disputes | 18 | 18 |
| **ii. Summary of amount paid under protest against above:** | | |
| a. Sales tax | 135 | 140 |
| b. Excise custom duty and service tax* | 1,807 | 1,606 |
| c. Goods and service tax | 97 | 25 |
| | **2,039** | **1,771** |
| **b. Guarantees excluding financial guarantees** | | |
| i. Guarantees issued by bankers on behalf of the Group (These are covered by the charge created in favour of Group's banker by way of hypothecation of stock and trade receivables besides pledge of fixed deposits as margin money) | 1,467 | 1,150 |
| **c. Other money for which the Company is contingently liable** | | |
| i. Letters of Credit (outstanding) | 31,715 | 36,411 |
| ii. Bill discounting with banks | 27,799 | 15,891 |
| iii. a) Bond given to custom department on behalf of the joint venture company | 150 | 150 |
| b) Bond given to custom department under authorised economic operator | 20,298 | 14,558 |

The Group has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Group.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

* Search was conducted by Directorate of Revenue Intelligence (DRI) at the premises of the Holding Company and its subsidiary companies on 20 December, 2021, 24 December 2021 and 24 January 2024. During the investigation, questions were raised regarding the interpretation of the classification of imported goods. To avoid unnecessary business interruptions, the Holding Company and its subsidiary companies decided to make a deposit of ₹ 1,600 lakh under protest. The Holding Company has received show-cause notice and is in the process of filing a reply with the authorities, while the subsidiary companies have yet to receive the show-cause notices. The Group management is of the opinion that the Holding Company and the subsidiary Companies is in compliance with the law and has strong chances of success against any dispute or demand and no liability will arise.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 46 Contingent liabilities and commitments (to the extent not provided for) (Contd..)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **d. Capital commitments:** | | |
| Commitments for acquisition of property, plant and equipment (net of advances) | 11,449 | 9,864 |

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.

## 47 Assets mortgaged as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are :

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Current assets:** | | |
| **Financial assets** | | |
| Trade receivables | 2,31,781 | 1,71,545 |
| Inventories (excluding in transit) | 1,47,605 | 90,591 |
| **Total current assets mortgaged as security** | **3,79,386** | **2,62,136** |
| **Non-current:** | | |
| Land (Freehold and leasehold) | 867 | 366 |
| Buildings | 2,732 | 2,367 |
| Plant and machinery and others | 84,656 | 59,483 |
| **Total non-currents assets mortgaged as security** | **88,255** | **62,216** |
| **Total assets mortgaged as security** | **4,67,641** | **3,24,352** |

## 48 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Current** | | |
| a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year | | |
| - Principal amount | 4,599 | 8,709 |
| - interest due | - | - |
| b. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | 1,356 | 1,130 |
| 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 | 6 | 7 |
| d. the amount of interest accrued and remaining unpaid at the end of each accounting year | 1 | 7 |
| 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 the Consolidated Financial Statements

for the year ended 31 March, 2024

## 48 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED): (Contd..)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Non-current** | | |
| a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year | - | - |
| - Principal amount | - | - |
| - 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 | - | - |

## 49 Earnings per share

₹ / Lakh

| Particulars | Units | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|---|
| **a. Basic EPS** | | | |
| Profit for the year | ₹ / Lakh | 37,492 | 25,508 |
| Weighted average number of equity shares outstanding | No's | 5,96,61,976 | 5,94,22,005 |
| Face value of per share | ₹ | 2 | 2 |
| Basic Earnings per share | ₹ | 62.84 | 42.92 |
| **b. Diluted EPS** | | | |
| Profit for the year | ₹ / Lakh | 37,492 | 25,508 |
| Weighted average number of equity shares for calculation of diluted EPS (See note below) | No's | 6,00,22,586 | 5,98,53,182 |
| Face value of per share | ₹ | 2 | 2 |
| Diluted Earnings per share | ₹ | 62.46 | 42.62 |
| **Note:** | | | |
| The weighted average number of equity shares for the purpose of diluted earnings per share: | | | |
| Weighted average number of equity shares outstanding | No's | 5,96,61,976 | 5,94,22,005 |
| Weighted average number of potential equity shares on exercise of stock option | No's | 3,60,610 | 4,31,177 |
| **Weighted average number of equity shares for calculation of diluted earnings per share** | **No's** | **6,00,22,586** | **5,98,53,182** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 50 Details of research and development expenditure

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **a. Revenue expenditure** | | |
| Cost of materials consumed | 161 | 169 |
| Employee benefits expense | 694 | 444 |
| Depreciation and amortisation expense | 115 | 43 |
| Other expenses | 240 | 104 |
| | **1,210** | **760** |
| **b. Capital expenditure** | | |
| Purchase of property, plant and equipment | 429 | 542 |
| | **429** | **542** |

The expenditure on research and development activities are included in respective head of expenses as presented in the consolidated financial statements.

## 51 Financial instruments

### a. Categories of financial instruments

The carrying amount of the Group's financial instruments is as below:

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Financial asset** | | |
| **I. Measured at cost** | | |
| i. Investments in jointly controlled entities | 1,850 | 1,261 |
| **II. Measured at amortised cost** | | |
| i. Other financial assets | | |
| - Non-current | 4,214 | 3,483 |
| - Current | 31,815 | 8,991 |
| ii. Trade receivables | 2,31,788 | 1,71,545 |
| iii. Cash and cash equivalents | 20,048 | 21,704 |
| iv Other bank balances | 817 | 1,214 |
| v. Loans | | |
| - current | 200 | - |
| **III Measured at fair value through Profit and Loss (FVTPL)** | | |
| i. Investments | | |
| - Non current | 154 | 154 |
| - Current | - | 3,000 |
| ii. Outstanding forward Marked to Market (MTM) | 52 | - |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Financial liabilities** | | |
| **I Measured at fair value through Profit and Loss (FVTPL)** | | |
| i. Outstanding forward marked to market (MTM) | 3 | 168 |
| **II Measured at amortised cost** | | |
| i. Borrowings | | |
| - Non current | 11,260 | 14,523 |
| - Current (including current maturities of long term borrowings) | 4,243 | 3,739 |
| ii. Lease Liability | | |
| - Non current | 31,199 | 25,283 |
| - Current | 2,196 | 1,764 |
| iii. Trade payables | | |
| - Non current | 546 | - |
| - Current | 4,05,975 | 2,45,188 |
| iv. Other current financial liabilities | | |
| - Non current | 4,347 | - |
| - Current | 50,310 | 28,974 |

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

**Level I:** includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level II:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level III:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Group's management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

ii. The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value

iii. The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.

iv. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at 31 March 2024, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

### b. Fair value hierarchy

The disclosure of the financial instruments measured at fair value and valuation technique are as follows:

₹ / Lakh

| Particulars | Fair value hierarchy | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|---|
| **Financials Assets** | | | |
| Outstanding forward contracts (MTM,FVTPL) | Level II | 52 | - |
| Investments in mutual fund | Level I | - | 3,000 |
| Investments in equity shares | Level III | 154 | 154 |
| **Financials liabilities** | | | |
| Outstanding forward contracts (MTM,FVTPL) | Level II | 3 | 168 |

### c. Financials risk management objectives and policies:

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group's are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group's policies and Group risk objective.

### d. Financial risk management

The Group's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

### A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

#### I. Currency risk

a. The operation of the Group give exposure to foreign exchange risk arising from foreign currency transactions and foreign currency loans, primarily with respect to the US$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (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 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:

₹ / Lakh

| Particulars | | As at 31 March, 2024 | | | As at 31 March, 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Total | Hedged | Unhedged | Total | Hedged | Unhedged |
| Payables | In USD / Lakh | 2,959 | 446 | 2,513 | 1,913 | 468 | 1,445 |
| | In CNY / Lakh | 6,181 | - | 6,181 | 2,558 | - | 2,558 |
| | In JPY / Lakh | 13,907 | - | 13,907 | 2,937 | - | 2,937 |
| | In ₹ / Lakh | 2,85,079 | 37,175 | 2,47,904 | 1,69,573 | 38,425 | 1,31,148 |
| Total liabilities | In USD / Lakh | 2,959 | 446 | 2,513 | 1,913 | 468 | 1,445 |
| | In CNY / Lakh | 6,181 | - | 6,181 | 2,558 | - | 2,558 |
| | In JPY / Lakh | 13,907 | - | 13,907 | 2,937 | - | 2,937 |
| | In ₹ / Lakh | 2,85,079 | 37,175 | 2,47,904 | 1,69,573 | 38,425 | 1,31,148 |
| Receivables | In USD / Lakh | 49 | - | 49 | 91 | - | 91 |
| | In CNY / Lakh | 12 | - | 12 | - | - | - |
| | In ₹ / Lakh | 4,168 | - | 4,168 | 7,431 | - | 7,431 |
| Total assets | In USD / Lakh | 49 | - | 49 | 91 | - | 91 |
| | In CNY / Lakh | 12 | - | 12 | - | - | - |
| | In ₹ / Lakh | 4,168 | - | 4,168 | 7,431 | - | 7,431 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

i. Foreign currency risk exposure

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Financial assets | 4,168 | 7,431 |
| Financial liabilities | 2,47,904 | 1,31,148 |
| **Net exposure (liabilities)** | **2,43,736** | **1,23,717** |

ii. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Impact on profit or loss for the year | 2,437 | 1,237 |
| Impact on total equity as at the end of reporting year | 1,824 | 926 |

This is mainly attributable to the exposure outstanding on Currency USD, CNY and JPY receivables and payables by the Company at the end of the reporting period. Impact on profit for the year are gross of tax.

### II. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

a. Interest rate risk exposure

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Variable rate borrowings | 13,619 | 16,758 |
| Fixed rate borrowings | 1,884 | 1,504 |
| | **15,503** | **18,262** |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

b. Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **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 | 136 | 168 |
| Impact on total equity as at the end of reporting year | 102 | 125 |

Impact on profit for the year are gross of tax and impact on total equity is net of tax

III. Other price risks

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Equity price sensitivity analysis

Group has invested mostly in subsidiries and joint venture. Hence no amount recognised in the statement of profit and loss as all amount of investment are carried at cost

### B Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For other financial assets, the Group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The Company's exposure to customers is diversified and two customers contributes to more than 10% of outstanding trade receivable.

Reconciliation of loss allowance provision

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Opening balance | 49 | 54 |
| Additional provision made | 80 | - |
| Provision adjusted against the amount written off | - | 2 |
| Reversal of provision during the year | - | 3 |
| **Closing provision** | **129** | **49** |

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 the Consolidated Financial Statements
for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

### C Liquidity risk management

a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Maturities of financial liabilities

₹ / Lakh

| As on 31 March, 2024 | 0-12 Months | 1-3 years | 3-5 years | More than 5 year | Total |
|---|---|---|---|---|---|
| Long term borrowings | 3,843 | 5,846 | 4,035 | 1,379 | 15,103 |
| Short term borrowings | 400 | - | - | - | 400 |
| Trade Payables | 4,05,975 | 546 | - | - | 4,06,521 |
| Lease liability | 2,195 | 5,977 | 6,485 | 18,738 | 33,395 |
| Other financial liabilities | 50,310 | 4,347 | - | - | 54,657 |

₹ / Lakh

| As on 31 March, 2023 | 0-12 Months | 1-3 years | 3-5 years | More than 5 year | Total |
|---|---|---|---|---|---|
| Long term borrowings | 3,209 | 6,772 | 5,781 | 1,970 | 17,732 |
| Short term borrowings | 530 | - | - | - | 530 |
| Trade Payables | 2,45,188 | - | - | - | 2,45,188 |
| Lease liability | 1,764 | 4,651 | 5,001 | 15,631 | 27,047 |
| Other financial liabilities | 28,974 | - | - | - | 28,974 |

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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 51 Financial instruments (Contd..)

Maturities of financial assets

₹ / Lakh

| As on 31 March, 2024 | 0-12 Months | 1-3 years | 3-5 years | More than 5 year | Total |
|---|---|---|---|---|---|
| Other financial assets | 31,815 | 4,214 | - | - | 36,029 |
| Investments | - | - | - | 2,004 | 2,004 |
| Trade receivables | 2,31,788 | - | - | - | 2,31,788 |
| Cash and cash equivalents | 20,048 | - | - | - | 20,048 |
| Bank balances other than cash and cash equivalent | 817 | - | - | - | 817 |
| Loans | 200 | - | - | - | 200 |

₹ / Lakh

| As on 31 March, 2023 | 0-12 Months | 1-3 years | 3-5 years | More than 5 year | Total |
|---|---|---|---|---|---|
| Other financial assets | 8,991 | 3,483 | - | - | 12,474 |
| Investments | 3,000 | - | - | 1,415 | 4,415 |
| Trade receivables | 1,71,545 | - | - | - | 1,71,545 |
| Cash and cash equivalents | 21,704 | - | - | - | 21,704 |
| Bank balances other than cash and cash equivalent | 1,214 | - | - | - | 1,214 |

### e. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and current investments.

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Net debt** | | |
| a. Borrowings | | |
| - Non current | 11,260 | 14,523 |
| - Current (including current maturities of long term debt) | 4,243 | 3,739 |
| | **15,503** | **18,262** |
| b. Cash and cash equivalents | 20,048 | 21,704 |
| c. Current investments | - | 3,000 |
| | **20,048** | **24,704** |
| **Net debt/(Surplus)** | **(4,545)** | **(6,442)** |
| **Total equity** | **1,69,485** | **1,28,491** |
| **Net debt to equity ratio** | **-2.68%** | **-5.01%** |

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 2024 and 31 March 2023.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 52 Employee Stock Option Plan

**A.** The Holding Company's 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’) provided for the grant of equity shares of the company to the eligible employees of the company and its subsidiary and its joint ventures companies. The board of directors recommended the establishment of the Dixon ESOP 2018 and Dixon ESOP 2020 to the shareholders on 26th May, 2018 and 22nd August, 2020 respectively and shareholders approved the recommendations of the Board of Directors in Annual General Meeting held on 25th July, 2018 and 29th September, 2020 respectively. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2018 and Dixon ESOP 2020 was 5,00,000 equity shares and 3,00,000 Equity Shares respectively. Further, effective 19th March, 2021, the equity shares of the Holding Company have been splitted from 1 equity share of ₹ 10/- each to 5 equity shares of ₹ 2/- each, therefore, the aforementioned numbers of equity shares have been adjusted accordingly in the below table. Under Dixon ESOP 2018, the Holding Company has approved 4 grants vide its meeting held on 31st October, 2018 , 13th November, 2019, 04th August, 2020 and 25th March, 2022 and under Dixon ESOP 2020 has approved 4 grants vide its meeting held on 30th October, 2020, 20th October, 2022, 06th February, 2023 and 26th October, 2023. As per the plan, option granted under Dixon ESOP 2018 would vest in not less than one year and not more than 4 years from the date of grant of such options and the options granted under Dixon ESOP 2020 would vest in not less than one year and not more than 5 years from the date of grant of such options. Both the Plans are Equity Settled Plans. Further, the Company laid down Dixon Technologies (India) Limited — Employees Stock Option Plan, 2023 (“DIXON ESOP 2023”) which provides for the grant of equity shares of the company to the eligible employees of the Company and its subsidiary companies including its joint venture companies, in accordance with board of directors approval dated 26th October, 2023 and members approval accorded through Postal Ballot dated 03rd December, 2023. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2023 is 20,00,000 Equity Shares. The In-principle approval of the said scheme was duly received by the Holding Company on 20th March, 2024.

| Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|
| | Grant IV | Grant-I | Grant II | Grant- III | Grant-IV | Grant-I |
| Date of Grant | 25-Mar-22 | 30-Oct-20 | 20-Oct-22 | 06-Feb-23 | 26-Oct-23 | 21-Mar-24 |
| Date of Share holders Approval | 25-Jul-18 | 29-Sep-20 | 29-Sep-20 | 29-Sep-20 | 29-Sep-20 | 03-Dec-23 |
| Date of Board of Directors Approval / Committee | 26-May-18 | 22-Aug-20 | 22-Aug-20 | 22-Aug-20 | 22-Aug-20 | 26-Oct-23 |
| No. of Option | 26,500 | 15,00,000 | 1,66,500 | 41000 | 23,000 | 20,00,000 |
| Method of settlement (Cash/Equity) | Equity | Equity | Equity | Equity | Equity | Equity |
| Vesting Period | 25-Mar-23 | 30-Oct-21 | 21-Oct-23 | 07-Feb-24 | 27-Oct-24 | 21-Mar-25 |
| | 25-Mar-24 | 30-Oct-22 | 21-Oct-24 | 07-Feb-25 | 27-Oct-25 | 21-Mar-26 |
| | 25-Mar-25 | 30-Oct-23 | 21-Oct-25 | 07-Feb-26 | 27-Oct-26 | 21-Mar-27 |
| | - | 30-Oct-24 | 21-Oct-26 | 07-Feb-27 | 27-Oct-27 | - |
| | - | 30-Oct-25 | 21-Oct-27 | 07-Feb-28 | 27-Oct-28 | - |
| Exercise Price (Per Share ₹) | 3,458.52 | 1,538.26 | A. 75,000 equity shares @ ₹ 2,563.59<br>B. 25,000 equity shares @ ₹ 2,777.22<br>C. 66,500 equity shares @ ₹ 3,631.75 | 2,617.67 | 4,628.76 | 5909.46 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 52 Employee Stock Option Plan (Contd..)

| Particulars | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | Dixon ESOP 2023 |
|---|---|---|---|---|---|---|
| | Grant IV | Grant-I | Grant II | Grant- III | Grant-IV | Grant-I |
| 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 6 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. | 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. | 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. | 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. |
| Ext. of Exercise Period | None | None | None | None | None | None |

| Particulars | 31 March 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | | | Dixon ESOP 2023 |
| | Grant IV | Grant I | Grant II | | | Grant III | Grant IV | Grant I |
| | | | A | B | C | | | |
| **1 Outstanding at the beginning** | | | | | | | | |
| - Shares arising out of options | 22,500 | 6,50,430 | 75,000 | 25,000 | 66,500 | 41,000 | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 | - | - |
| **2 New option granted during the year** | | | | | | | | |
| - Shares arising out of options | - | - | - | - | - | - | 23,000 | 20,00,000 |
| - Weighted average exercise price | - | - | - | - | - | - | 4,629 | 5,909 |
| **3 Forfeited and expired** | | | | | | | | |
| - Shares arising out of options | 1,500 | 9,040 | - | 16,000 | 42,500 | 1,000 | 4,000 | - |
| - Weighted average exercise price | 3,459 | 1,538 | - | 2,777 | 3,632 | 2,618 | 4,629 | - |
| **4 Options Exercised during the year** | | | | | | | | |
| - Shares arising out of options | 6,300 | 2,15,530 | 15,000 | 5,000 | 11,800 | 7,800 | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 | - | - |
| **5 Outstanding at the end** | | | | | | | | |
| - Shares arising out of options | 8,400 | 4,25,860 | 60,000 | 4,000 | 11,200 | 32,000 | 19,000 | 20,00,000 |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 | 4,629 | 5,909 |
| **6 Exercisable at the end** | | | | | | | | |
| - Shares arising out of options | 6,300 | - | - | - | 1,000 | 200 | - | - |
| - Weighted average exercise price | 3,459 | - | - | - | 3,632 | 2,618 | - | - |

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 52 Employee Stock Option Plan (Contd..)

| Particulars | 31 March 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Dixon ESOP 2018 | Dixon ESOP 2020 | | | | |
| | Grant IV | Grant I | Grant II | | | Grant III |
| | | | A | B | C | |
| **1 Outstanding at the beginning** | | | | | | |
| - Shares arising out of options | 26,500 | 8,84,920 | - | - | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | - | - | - | - |
| **2 New option granted during the year** | | | | | | |
| - Shares arising out of options | - | - | 75,000 | 25,000 | 66,500 | 41,000 |
| - Weighted average exercise price | - | - | 2,564 | 2,777 | 3,632 | 2,618 |
| **3 Forfeited and expired** | | | | | | |
| - Shares arising out of options | 4,000 | 16,260 | - | - | - | - |
| - Weighted average exercise price | 3,459 | 1,538 | - | - | - | - |
| **4 Options Exercised during the year** | | | | | | |
| - Shares arising out of options | - | 2,18,230 | - | - | - | - |
| - Weighted average exercise price | - | 1,538 | - | - | - | - |
| **5 Outstanding at the end** | | | | | | |
| - Shares arising out of options | 15,750 | 6,50,430 | 75,000 | 25,000 | 66,500 | 41,000 |
| - Weighted average exercise price | 3,459 | 1,538 | 2,564 | 2,777 | 3,632 | 2,618 |
| **6 Exercisable at the end** | | | | | | |
| - Shares arising out of options | 6,750 | - | - | - | - | - |
| - Weighted average exercise price | 3,459 | - | - | - | - | - |

* Fair value of option is based on the valuation report of option.

**B.** The Holding Company has implemented an Employee Stock Option Plan (ESOP) for employees working in its subsidiary and joint ventures companies. These ESOPs are being offered at a discounted price. Furthermore, the company intends to reclaim the ESOP discounts given to subsidiary employees from the respective subsidiaries.

**C.** Grant I, II, and III of the Dixon ESOP 2018 are fully excerised, and there are no outstanding shares available for exercise in this scheme.

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 53 Employee benefits

### a. Defined Contribution Plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Group's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The Group's obligation is limited to the amounts contributed by it.

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Contribution to provident and other funds | | |
| a. Contribution to provident fund | 1,391 | 1,090 |
| b. Contribution to employee state insurance | 56 | 44 |
| c. Contribution to national pension scheme | 96 | 64 |
| | **1,543** | **1,198** |

### b. Defined benefits plan

Gratuity: The Group provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The resent value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

#### (i) Principal Auctorial Assumptions

a. The assumptions of the Group as below:

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Future Salary Increase | 6.00% | 6.00% |
| Discount rate | 7.23% | 7.36% |
| Mortality rates | 100% of IALM (2012-14) | 100% of IALM (2012-14) |
| Attributes of ages: withdrawal rate (%) | | |
| Upto 30 years | 3.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |
| Retirement age (years) | 58 | 58 |

#### (ii) Amount recognised in the Statement of Profit and Loss

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Current service cost | 405 | 271 |
| Past service cost including curtailment gains/losses | 17 | - |
| Net interest cost | 134 | 108 |
| **Expense recognised in the statement of profit and loss** | **556** | **379** |

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 53 Employee benefits (Contd..)

### (iii) Amount recognised in Other Comprehensive Income (OCI)

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Remeasurement on the net defined benefit liability: | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | 36 | (27) |
| Actuarial (gains) / losses arising from experience adjustments | (159) | 171 |
| **Amount recognised in other comprehensive income** | **(123)** | **144** |

**Notes:**

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the statement of profit and loss.

ii. The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

iii. The Group gratuity scheme is unfunded.

### (iv) Movements in the present value of the defined benefit obligation:

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **Liability at the beginning of the year** | **1,819** | **1,484** |
| Interest Costs | 134 | 108 |
| Current Service Costs | 405 | 271 |
| Past service cost including curtailment gains/losses | 17 | - |
| Benefits paid | (112) | (188) |
| Actuarial (Gain)/Loss on obligations due to change in Obligation | (123) | 144 |
| **Liability at the end of the year** | **2,140** | **1,819** |

The amount included in the consolidated financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| Provision for gratuity | | |
| - Non-Current | 1,905 | 1,584 |
| - Current | 235 | 235 |
| | **2,140** | **1,819** |

### (v) Experience Adjustments

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2021 | Year ended 31 March, 2020 |
|---|---|---|---|---|---|
| Present value of DBO | 2,140 | 1,819 | 1,484 | 923 | 717 |
| Fair value of plan assets | - | - | - | - | - |
| Funded status | - | - | - | - | - |
| Gain/(loss) on obligation | (123) | 144 | 25 | (7) | (61) |
| Gain/(loss) on plan assets | - | - | - | - | - |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 53 Employee benefits (Contd..)

### (vi) Sensitivity Analysis

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| **a. Impact of the change in discount rate** | | |
| Present Value of Obligation | 2,140 | 1,819 |
| Impact due to increase of 0.50 % | (102) | (80) |
| Impact due to decrease of 0.50 % | 111 | 87 |
| **b. Impact of the change in salary increase** | | |
| Present Value of Obligation at the end of the period | 2,140 | 1,819 |
| Impact due to increase of 0.50 % | 106 | 83 |
| Impact due to decrease of 0.50 % | (98) | (78) |

**Notes:**

i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.

ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

iii. The above sensitivity analysis are with out giving the impact of tax.

### (vii) Maturity Profile of Defined Benefit Obligation

₹ / Lakh

| Financial year | Amount |
|---|---|
| With in 1 year | 235 |
| Between 1 to 5 years | 440 |
| Above 5 years | 1,465 |
| | **2,140** |

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow:

a. Salary Increases: Change in rate of future salary increase in subsequent years will result in higher liability.

b. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

c. Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact Plan's liability.

## c. Liability for compensated absences is recognised on the basis of actuarial valuation as per Projected Unit Credit Method

Actuarial assumptions for compensated absences are as below:

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| i. Discounting rate | 7.23% | 7.36% |
| ii. Future increase salary | 6.00% | 6.00% |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 54 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 and environment sustainability. A CSR committee has been formed by the group as per the Act.

₹ / Lakh

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|---|---|
| (i) A. Gross amount required to be spent by the Group (include unspent amount of previous year) | 563 | 434 |
| **Total (A)** | **563** | **434** |
| B. Amount spent by the Group | | |
| a. Expenditure | | |
| i. Jan Maadhyam | 19 | 18 |
| ii. Nav Abhiyan | 10 | 10 |
| iii. Janaseva Trust | 10 | - |
| iv. Krishnashray Foundation | 4 | - |
| v. Paramhans Yogananda Trust | 5 | - |
| vi. Saint Hardyal Educational and Orphans Welfare Society (SHEOWS) | 75 | 40 |
| vii. B.S. Negi MPPS Society | 5 | - |
| viii. *PM Cares fund pertains to FY 2021-22 | - | 2 |
| ix. Connect to Andhra | 1 | - |
| x. Latika Roy Memorial foundation | 25 | - |
| xi. Labhya Foundaion | 40 | 30 |
| xii. Bansividya Memorial Trust | 15 | 10 |
| xiii. Isha Foundation | - | 10 |
| xiv. Mahavir Foundation Trust | 10 | 10 |
| xv. PHD Rural Development Foundation | - | 6 |
| xvi. Rotary Club South end | 11 | 20 |
| xvii. Utkarsh Global Foundation | 10 | - |
| xviii. Chinmaya organisation for rural development | 5 | - |
| xix Etasha Soceity | 5 | - |
| xx Sapna | 5 | - |
| xxi Teach to Lead | - | 50 |
| xxii Purkal Youth Development Society | 28 | 31 |
| xxiii Reimagining Higher Education Foundation | 280 | 195 |
| **Total (a)** | **563** | **432** |
| b. Repair to school | - | 4 |
| **Total (b)** | **-** | **4** |
| **Total Expenditure (a)+(b)** | **563** | **436** |
| C. Shortfall at the end of the year | - | - |

There is no payment made to related parties

### (ii) Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Balance as at the beginning of the year** | **-** | **-** |
| Amount required to be spent during the period | 563 | 434 |
| Amount deposited in a specified fund of Schedule VII of the Act with in 6 months | - | (2) |
| Amount spent during the year | 563 | 436 |
| **Balance / (excess spending) as at the closing of the year** | **-** | **-** |

# Notes to the Consolidated Financial Statements
for the year ended 31 March, 2024

## 54 Corporate Social Responsibility (Contd..)

### (iii) Details of excess CSR expenditure under section 135(5) of the Act

₹ / Lakh

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| **Balance excess / short spent as at the beginning of the year** | - | - |
| Amount required to be spent during the period | - | - |
| Amount spent during the year | - | - |
| **Balance as at the closing of the year** | - | - |

**(iv)** These is no payment made to related parties

* The Group contributed ₹ 2 Lakhs towards the PM Cares Fund in FY 2022-23 out of its CSR Budget for the FY 2021-22.

## 55 Segment Reporting

The Chief Operating Decision Maker (CODM) comprises of the Board of Directors ,Managing Director and Vice chairman and Chief financial officer which examines the Group's performance on the basis of single operating segment i.e. Electronics Goods; accordingly segment disclosure has not been made.

Revenue from two customers (Previous year three customers) of the Company represented approximately 45% of the total revenue (Previous year 59%).

## 56 Related party disclosure

### a. List of related parties

i Joint Venture Company

a. Rexxam Dixon Electronics Private Limited

b. Califonix Tech and Manufacturing Private Limited (Incorporated on 27 April,2022) (joint venture as at 31 March, 2023)

c. AIL Dixon Technologies Private Limited

ii. Key Managerial Personnel and their relatives

| | | |
|---|---|---|
| a. | Mr. Sunil Vachani | Chairman |
| b. | Mr. Atul B. Lall | Vice Chairman and Managing Director |
| c. | Mr. Saurabh Gupta | Chief financial officer |
| d. | Mr. Ashish Kumar | Company secretary |
| e. | Mr. Manuji Zarabi | Non Executive Independent Director |
| f. | Ms. Poornima Shenoy | Non Executive Independent Director |
| g. | Mr. Manoj Maheshwari | Non Executive Independent Director |
| h. | Mr. Keng Tsung Kuo | Non Executive Independent Director |
| i. | Mr. Rakesh Mohan | Non Executive Independent Director |
| j. | Mr. Arun Seth | Non Executive Independent Director |

iii. Close member of key managerial personnel

a. Mr. Prithvi Vachani — Project Manager (Son of Chairman)

iv. Entities over which executive directors or relatives are able to exercise control/significant influence

a. Light House Partners

b. Topline Electronics Private Limited

c. Smartice LLP

d. Smartice Private Limited

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 56 Related party disclosure (Contd..)

### b. Transactions with related parties

₹ / Lakh

| Particulars | Joint Venture Company | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| **A. Transactions during the year** | | | | | | | | |
| **Investment in equity** | **-** | **505** | **-** | **-** | **-** | **-** | **-** | **505** |
| Califonix Tech and Manufacturing Private Limited | - | 505 | - | - | | | - | 505 |
| **Interest income** | **7** | **1** | **-** | **-** | **-** | **-** | **7** | **1** |
| Rexxam Dixon Electronics Private Limited | - | 1 | - | - | - | - | - | 1 |
| AIL Dixon Technologies Private Limited | 7 | - | - | - | - | - | 7 | - |
| **Sale of services** | **121** | **167** | **-** | **-** | **-** | **-** | **121** | **167** |
| Rexxam Dixon Electronics Private Limited | 50 | 25 | - | | | | 50 | 25 |
| AIL Dixon Technologies Private Limited | 71 | 142 | - | - | - | - | 71 | 142 |
| **Sale of goods** | **805** | **19,342** | **-** | **-** | **27** | **68** | **832** | **19,410** |
| Rexxam Dixon Electronics Private Limited | 756 | 19,330 | - | - | - | - | 756 | 19,330 |
| AIL Dixon Technologies Private Limited | 49 | 12 | - | - | - | - | 49 | 12 |
| Topline Electronics Private Limited | - | - | - | - | 27 | 68 | 27 | 68 |
| **Purchase of raw material** | **80** | **2,752** | **-** | **-** | **-** | **-** | **80** | **2,752** |
| Rexxam Dixon Electronics Private Limited | 1 | 2,610 | - | - | - | - | 1 | 2,610 |
| AIL Dixon Technologies Private Limited | 79 | 142 | - | - | - | - | 79 | 142 |
| **Job Work Charges received** | **-** | **54** | **-** | **-** | **-** | **-** | **-** | **54** |
| Rexxam Dixon Electronics Private Limited | - | 49 | - | - | - | - | - | 49 |
| AIL Dixon Technologies Private Limited | - | 5 | - | - | - | - | - | 5 |
| **Service charges paid** | **-** | **-** | **-** | **-** | **3** | **1** | **3** | **1** |
| Smartice LLP | - | - | - | - | - | 1 | - | 1 |
| Smartice Private Limited | - | - | - | - | 3 | - | 3 | - |
| **Sale of Property, plant and equipment** | **128** | **230** | **-** | **-** | **-** | **-** | **128** | **230** |
| Rexxam Dixon Electronics Private Limited | 117 | 230 | - | - | - | - | 117 | 230 |
| AIL Dixon Technologies Private Limited | 11 | - | - | - | - | - | 11 | - |
| **Purchase of Property, plant and equipment** | **10** | **-** | **-** | **-** | **-** | **-** | **10** | **-** |
| AIL Dixon Technologies Private Limited | 10 | - | - | - | - | - | 10 | - |
| **Rent income** | **126** | **100** | **-** | **-** | **-** | **-** | **126** | **100** |
| Rexxam Dixon Electronics Private Limited | 126 | 100 | - | - | - | - | 126 | 100 |
| **Corporate Guarantee given on behalf of the Subsidiaries and joint venture** | **965** | **-** | **-** | **-** | **-** | **-** | **965** | **-** |
| AIL Dixon Technologies Private Limited | 965 | - | - | - | - | - | 965 | - |
| **Bond Given to Custom Department by the group on behalf of joint venture** | **-** | **100** | **-** | **-** | **-** | **-** | **-** | **100** |
| Rexxam Dixon Electronics Private Limited | - | 100 | - | - | - | - | - | 100 |
| **Loans provided** | **200** | **-** | **-** | **-** | **-** | **-** | **200** | **-** |
| AIL Dixon Technologies Private Limited | 200 | - | - | - | - | - | 200 | - |
| **Repayment of loan provided** | **-** | **44** | **-** | **-** | **-** | **-** | **-** | **44** |
| Rexxam Dixon Electronics Private Limited | - | 44 | - | - | - | - | - | 44 |
| **Director sitting fees** | **-** | **-** | **19** | **27** | **-** | **-** | **19** | **27** |
| Mr. Rakesh Mohan | | | 3 | 4 | | | 3 | 4 |
| Mr. Manuji Zarabi | - | - | 5 | 7 | - | - | 5 | 7 |
| Ms. Poornima Shenoy | - | - | 2 | 4 | - | - | 2 | 4 |
| Mr. Arun Seth | | | 1 | - | - | - | 1 | - |
| Mr. Manoj Maheshwari | - | - | 5 | 7 | - | - | 5 | 7 |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 56 Related party disclosure (Contd..)

₹ / Lakh

| Particulars | Joint Venture Company | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| Mr. Keng Tsung Kuo | - | - | 3 | 5 | - | - | 3 | 5 |
| **Remuneration (including commission)** | **-** | **-** | **2,345** | **2,254** | **-** | **-** | **2,345** | **2,254** |
| Mr. Sunil Vachani | - | - | 860 | 897 | - | - | 860 | 897 |
| Mr. Atul B. Lall | - | - | 846 | 884 | - | - | 846 | 884 |
| Mr. Saurabh Gupta | - | - | 437 | 311 | - | - | 437 | 311 |
| Mr. Ashish Kumar | - | - | 110 | 99 | - | - | 110 | 99 |
| Mr. Prithvi Vachani | - | - | 32 | 3 | - | - | 32 | 3 |
| Mr. Rakesh Mohan | | | 12 | 12 | - | - | 12 | 12 |
| Mr. Manuji Zarabi | - | - | 12 | 12 | - | - | 12 | 12 |
| Ms. Poornima Shenoy | - | - | 12 | 12 | - | - | 12 | 12 |
| Mr. Manoj Maheshwari | - | - | 12 | 12 | - | - | 12 | 12 |
| Mr. Keng Tsung Kuo | - | - | 12 | 12 | - | - | 12 | 12 |
| **ESOPs** | **-** | **-** | **1,138** | **1,138** | **-** | **-** | **1,138** | **1,138** |
| Mr. Atul B. Lall | - | - | 615 | 615 | - | - | 615 | 615 |
| Mr. Saurabh Gupta | - | - | 308 | 308 | - | - | 308 | 308 |
| Mr. Ashish Kumar | - | - | 215 | 215 | - | - | 215 | 215 |

₹ / Lakh

| Particulars | Joint Venture Company | | KMP and their relatives | | Entities over which executive directors or relatives are able to exercise control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
| **B. Outstanding balances** | | | | | | | | |
| **Loans** | **200** | **-** | **-** | **-** | **-** | **-** | **200** | **-** |
| AIL Dixon Technologies Private Limited | 200 | - | - | - | - | - | 200 | - |
| **Trade Receivables** | **110** | **5,756** | **-** | **-** | **-** | **23** | **110** | **5,779** |
| Rexxam Dixon Electronics Private Limited | 5 | 5,680 | - | - | - | - | 5 | 5,680 |
| AIL Dixon Technologies Private Limited | 105 | 76 | - | - | - | - | 105 | 76 |
| Topline Electronics Private Limited | - | - | - | - | - | 23 | - | 23 |
| **Investment in equity shares** | **1,850** | **1,261** | **-** | **-** | **-** | **-** | **1,850** | **1,261** |
| Rexxam Dixon Electronics Private Limited | 1,850 | 829 | - | - | - | - | 1,850 | 829 |
| Califonix Tech and Manufacturing Private Limited | - | 432 | - | - | - | - | - | 432 |
| **Payable to Key Management Persons** | **-** | **-** | **-** | **7** | **-** | **-** | **-** | **7** |
| Mr. Manoj Maheshwari | - | - | - | 2 | - | - | - | 2 |
| Mr. Manuji Zarabi | - | - | - | 2 | - | - | - | 2 |
| Ms. Poornima Shenoy | - | - | - | 1 | - | - | - | 1 |
| Mr. Rakesh Mohan | - | - | - | 1 | - | - | - | 1 |
| Mr. Keng Tsung Kuo | - | - | - | 1 | - | - | - | 1 |
| **Bond Given to Custom Department by the group on behalf of join venture** | **150** | **150** | **-** | **-** | **-** | **-** | **150** | **150** |
| Rexxam Dixon Electronics Private Limited | 100 | 100 | - | - | - | - | 100 | 100 |
| AIL Dixon Technologies Private Limited | 50 | 50 | - | - | - | - | 50 | 50 |
| **Corporate guarantee** | **965** | **-** | **-** | **-** | **-** | **-** | **965** | **-** |
| AIL Dixon Technologies Private Limited | 965 | - | - | - | - | - | 965 | - |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 57 Composition of Group

The information about the composition of group at the end of reporting year 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 | |
|---|---|---|---|---|---|
| | | | | As at 31 March, 2024 | As at 31 March, 2023 |
| **A. Subsidiary Companies** | | | | | |
| Dixon Global Private Limited | Trading | Noida, India | Dehradun, India | 100% | 100% |
| Padget Electronics Private Limited | Manufacturing | Noida, India | Noida, India | 100% | 100% |
| Dixon Electro Appliances Private Limited | Manufacturing | Noida, India | Ludhiana, India | 51% | 51% |
| | | | Noida, India | | |
| Dixon Electro Manufacturing Private Limited | Manufacturing | Noida, India | Noida, India | 100% | 100% |
| Dixon Technologies Solutions Private Limited | Manufacturing | Noida, India | Dehradun, India | 100% | 100% |
| Dixtel Communications Private Limited | Trading | Noida, India | Noida, India | 100% | 100% |
| Califonix Tech and Manufacturing Private Limited* | Manufacturing | Noida, India | Noida, India | 50% | - |
| Dixon Infotech Private Limited# | Manufacturing | Noida, India | Noida, India | 100% | - |
| Dixtel Infocom Private Limited# | Manufacturing | Noida, India | Noida, India | 100% | - |
| **B. Joint controlled Companies** | | | | | |
| AIL Dixon Technologies Private Limited | Manufacturing | Noida, India | Andhra Pradesh, India | 50% | 50% |
| Rexxam Dixon Electronics Private Limited | Manufacturing | Noida, India | Noida, India | 40% | 40% |
| Califonix Tech and Manufacturing Private Limited* | Manufacturing | Noida, India | Noida, India | - | 50% |

* Previous year jointly controlled entity

# incorporated during the year

## 58 Additional information as required under schedule III to the Companies Act, 2013 of enterprieses consolidated as subsidiarties and Joint Ventures

₹ In lakhs

| Name of the Group | As at 31 March, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Net Assets i.e Total Assets minus total liabilities | Share of profit and loss | | Share of OCI | | Total Comprehensive Income | |
| | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| **A. Holding Company** | | | | | | | |
| Dixon Technologies (India) Limited | 1,39,430 | 50% | 18,566 | 118% | 101 | 50% | 18,667 |
| **B. Subsidiary Companies** | | | | | | | |
| Dixon Global Private Limited | 1,378 | 1% | 294 | - | - | 1% | 294 |
| Padget Electronics Private Limited | 25,637 | 39% | 14,547 | 14% | 12 | 39% | 14,559 |
| Dixon Electro Appliances Private Limited | 4,405 | 1% | 365 | 20% | 17 | 1% | 382 |
| Dixon Electro Manufacturing Private Limited | (641) | -2% | (617) | -4% | (3) | -2% | (620) |
| Dixon Technologies Solutions Private Limited | 1,798 | 5% | 1,808 | - | - | 5% | 1,808 |
| Dixtel Communications Private Limited | 10 | 0% | - | - | - | 0% | - |
| Califonix Tech and Manufacturing Private Limited* | 5,204 | 3% | 1,076 | -42% | (36) | 3% | 1,040 |
| Dixon Infotech Private Limited | 1 | 0% | - | - | - | 0% | - |

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 58 Additional information as required under schedule III to the Companies Act, 2013 of enterprieses consolidated as subsidiarties and Joint Ventures (Contd..)

₹ In lakhs

| Name of the Group | As at 31 March, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Net Assets i.e Total Assets minus total liabilities | Share of profit and loss | | Share of OCI | | Total Comprehensive Income | |
| | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| Dixtel Infocom Private Limited | 1 | 0% | - | - | - | 0% | - |
| **C. Joint Venture** | | | | | | | |
| AIL Dixon Technologies Private Limited | 3,707 | 1% | 429 | -2% | (2) | 1% | 427 |
| Rexxam Dixon Electronics Private Limited | 1,851 | 3% | 1,024 | -4% | (3) | 3% | 1,021 |
| | **1,82,781** | | **37,492** | | **85** | | **37,577** |
| Adjustments in consolidation | (10,535) | | - | | 1 | | 1 |
| | **1,72,246** | **100%** | **37,492** | **100%** | **86** | **100%** | **37,578** |

₹ / Lakh

| Name of the Group | As at 31 March, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Net Assets i.e Total Assets minus total liabilities | Share of profit and loss | | Share of OCI | | Total Comprehensive Income | |
| | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| **A. Holding Company** | | | | | | | |
| Dixon Technologies (India) Limited | 1,16,640 | 82% | 21,115 | 39% | (50) | 82% | 21,065 |
| **B. Subsidiary Companies** | | | | | | | |
| Dixon Global Private Limited | 1,084 | 0% | (65) | - | - | 0% | (65) |
| Padget Electronics Private Limited | 11,079 | 14% | 3,774 | - | - | 15% | 3,774 |
| Dixon Electro Appliances Private Limited | 4,022 | -0.3% | (90) | 62% | (80) | -1% | (170) |
| Dixon Electro Manufacturing Private Limited | (21) | 0% | (1) | - | - | 0% | (1) |
| Dixon Technologies Solutions Private Limited | (10) | 0% | (8) | - | - | 0% | (8) |
| Dixtel Communications Private Limited | 10 | 0% | - | - | - | 0% | - |
| **C. Joint Venture** | | | | | | | |
| AIL Dixon Technologies Private Limited | 3,280 | 3% | 949 | -1% | 1 | 3% | 950 |
| Rexxam Dixon Electronics Private Limited | 830 | 1% | 235 | - | - | 1% | 235 |
| Califonix Tech and Manufacturing Private Limited | 432 | 0% | (73) | - | - | 0% | (73) |
| | **1,37,346** | | **25,836** | | **(129)** | | **25,707** |
| Adjustments in consolidation | (8,883) | | (328) | | 1 | | (327) |
| | **1,28,463** | **100%** | **25,508** | **100%** | **(128)** | **100%** | **25,380** |

**59** Padget Electronics Private Limited (a subsidiary company) had filed an application with Reserve Bank of India dated 16 March 2020 for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 13,561 Lakhs. Based on the RBI application, the Company has set off the import payable amounting to ₹ 13,435 Lakhs and trade receivables from distributors ₹ 13,354 Lakhs and obsolete inventory of Import Vendors ₹ 81 Lakhs in the financial year 2019-20. The approval from RBI was received in the last financial year.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

**60**

**a)** The Ministry of Electronics and Information Technology (IPHW Division) issued Notification No. No. W-28/1/2019-IPHW-MeitY dated April 01, 2020 for Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing. Padget Electronics Private Limited (a subsidiary company) filed an application under such a scheme and got approval during FY 2020-21. Under such a scheme the company gets a certain percentage of their sales of eligible products as incentive and is valid from Financial Year 2021-22 to 2025-26. As on March 31, 2024, the company has received incentive for the revenue upto Sept'23.

**b)** Padget Electronics Private Limited (a subsidiary company) was approved as an eligible applicant under Production Linked Incentive (PLI) 2.0 for IT Hardware notified vide Gazette Notification No. CG-DL-E-30052023-246165 dated 29th May 23 and guidelines for the operation of PLI Scheme 2.0 dated 14th July 2023. The company got the approval vide Letter No. IFCI/MeitY/PLI-ITHW-231124019 dated 24th November, 2023 issued by IFCI (Project Management Agency under the Scheme). The Company has got approval under Hybrid category for which Base Year is FY 2023-24 the scheme is eligible for 6 years from FY 24-25 to FY 29-30. Under such a scheme, the company gets incentive on complying with certain Investment and revenue criteria.

**c) Production Linked Incentive (PLI) Scheme to promote Telecom And Networking Products Manufacturing in India:**

The Ministry of Communications issued a gazette Notification No. CG-DL-E-24022021-225442 on 24 February, 2021 to introduce a Production Linked Incentive Scheme (PLI) to encourage the manufacturing of Telecom & Networking products in India. Dixon Electro Appliances Private Limited ('the Company') applied for the scheme on 02 July, 2021 and received approval on 14 Oct, 2021. The scheme is applicable from FY 2021-2022 to FY 2025-2026, and the company is eligible to receive a certain percentage of sales of eligible products as incentives during this period.

In FY 2022-2023, the scheme was revised through an office memorandum dated 20 June, 2022 to introduce a design-led criterion. An additional incentive of 1% was offered to the applicant company, and the company reapplied for the scheme on 25 Aug, 2022. It was granted approval on 31 October, 2022, and opted to forego the scheme benefit for its former application. The new scheme is applicable for the period FY 2022-2023 to FY 2026-2027.

The Group has received the incentives for the period FY 22-23 and met the investment and revenue thresholds for the FY 2023-24 of ₹ 3,600 lakhs and ₹ 21,600 lakhs respectively and is eligible to claim incentive from government under the aforesiad scheme."

**d) Production Linked Incentive (PLI) Scheme to promote White Goods Manufacturing in India:**

The Ministry of Communications issued a gazette Notification No. CG-DL-E-16042021-226671 on 16-Apr-21 to introduce a Production Linked Incentive Scheme (PLI) to encourage the manufacturing of White Goods (Air Conditioners & LED Lights) products in India. The Dixon Technologies Solutions Private Limtied applied for the scheme on 15 Sep, 2021 and received approval on 12 Nov, 2021 under Normal Category for LED Lights (Low Value Intermediaries). The scheme is applicable from FY 22-23 to FY 27-28, and the company is eligible to receive a certain percentage of sales of eligible products for as incentives during this period.

The Group has met the investment and revenue thresholds for the Financial year 2022-2023 and Financial year 2023-2024 respectively of ₹ 2,000 lakhs and ₹12,000 lakhs respectively and is eligible to claim incentive from government under the aforesaid scheme.

**61** The Group has been sanctioned working capital limits in excess of ₹ 500 lakhs in aggregate from Banks/financial institutions on the basis of security of current assets. There were no material differences between the books of accounts and Quarterly returns / statements filed with such Banks/ financial institutions for financial year 2023-2024.

**62** The Board of Directors of the Holding Company have recommended a final dividend of 250% (₹ 5 per Equity Share of ₹ 2 each) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

# Notes to the Consolidated Financial Statements

for the year ended 31 March, 2024

## 63 Other Statutory Information

i. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii. The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

iii. The Group do not have any charges or satisfaction which is yet to be registered with ROC.

iv. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

v. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

  a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii. The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

viii. The Group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

ix. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

x. The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**64** There are no subsequent event observed after the reporting period which have material impact on the Group's operation.

**65** Figures for the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

In terms of our report attached
**For S. N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
**Partner**
Membership No. 087701

Place: Noida
Date: 15 May, 2024

**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: 15 May, 2024

Place: Noida
Date: 15 May, 2024

# 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

## a) Subsidiary Company

(₹ 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 | Invest-ments | Turnover | Profit/ (loss) Before Taxation | Provision For Taxation | Profit/ (loss) After Taxation | OCI* | Total CI | Proposed Dividend | % of Share-holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Dixon Global Private Limited | 27-Oct-10 | INR | 100 | 1,278 | 1,456 | 78 | - | 3,651 | 368 | 74 | 294 | - | 294 | - | 100% |
| 2 | Padget Electronics Private Limited | 12-Apr-19 | INR | 1,500 | 24,137 | 3,16,069 | 2,90,433 | - | 9,72,194 | 19,375 | 4,829 | 14,547 | 12 | 14,558 | - | 100% |
| 3 | Dixon Electro Appliances Private Limited | 15-Jan-20 | INR | 4,090 | 315 | 71,408 | 67,003 | - | 68,564 | 476 | 111 | 365 | 17 | 382 | 0.41 | 51% |
| 4 | Dixon Electro Manufacturing Private Limited | 16-Mar-21 | INR | 1 | (642) | 33,784 | 34,425 | - | 1,292 | (752) | (136) | (617) | (3) | (620) | - | 100% |
| 5 | Dixon Technologies Solutions Private Limited | 16-Mar-21 | INR | 1 | 1,797 | 15,223 | 13,425 | - | 22,720 | 2,187 | 379 | 1,808 | - | 1,808 | - | 100% |
| 6 | Califonix Tech and Manufacturing Private Limited | 27-Apr-22 | INR | 4,310 | 894 | 10,727 | 5,522 | - | 42,539 | 1,299 | 223 | 1,076 | (36) | 1,040 | - | 50% |
| 7 | Dixtel Communications Private Limited | 22-Feb-23 | INR | 10 | (0.37) | 10 | 0.37 | - | - | (0.25) | - | (0.25) | - | (0.25) | - | 100% |
| 8 | Dixon Infotech Private Limited** | 25-Aug-23 | INR | 1 | (0.12) | 1 | 0.12 | - | - | (0.12) | - | (0.12) | - | (0.12) | - | 100% |
| 9 | Dixtel Infocom Private Limited** | 20-Sep-23 | INR | 1 | (0.85) | 0.27 | 0.12 | - | - | (0.85) | - | (0.85) | - | (0.85) | - | 100% |

*Other Comprehensive Income

**Incorporated during the year

## 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 | Shares of Joint Ventures held by the company on the year end | | | 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/(loss) for the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Numbers | Amount of Investment in Joint Venture | Extent of Holding% attributable | | | | Considered in Consolidation | Not Considered in Consolidation |
| 1 | AIL Dixon Technologies Private Limited | 08-Feb-17 | 31-Mar-24 | 95,00,000 | 950 | 50.00% | Note A | - | 3,707 | 427 | - |
| 2 | Rexxam Dixon Electronics Private Limited | 15-May-21 | 31-Mar-24 | 60,00,000 | 600 | 40.00% | Note A | - | 1,851 | 1,021 | - |

**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: Noida
Date: 15 May, 2024

**For and on behalf of the Board of Directors**

Sunil Vachani
**Chairman**

Saurabh Gupta
**Chief Financial officer**

Place: Noida
Date: 15 May, 2024

Atul B. Lall
**Vice Chairman and Managing Director**

Ashish Kumar
**Company Secretary**

Place: Noida
Date: 15 May, 2024

## Notes

# Notes

Dixon®

The brand behind brands


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