Dixon®

Dixon Technologies (India) Ltd.

04th September, 2020

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

Dear Sir/Madam

Sub: Annual Report of the Company for the Financial Year 2019-20 along with Notice of Annual General Meeting

Further to our intimation dated 31st August, 2020 and pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2019-20 along with Notice of 27th Annual General Meeting as dispatched to the shareholders of the Company on 4th September, 2020.

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,

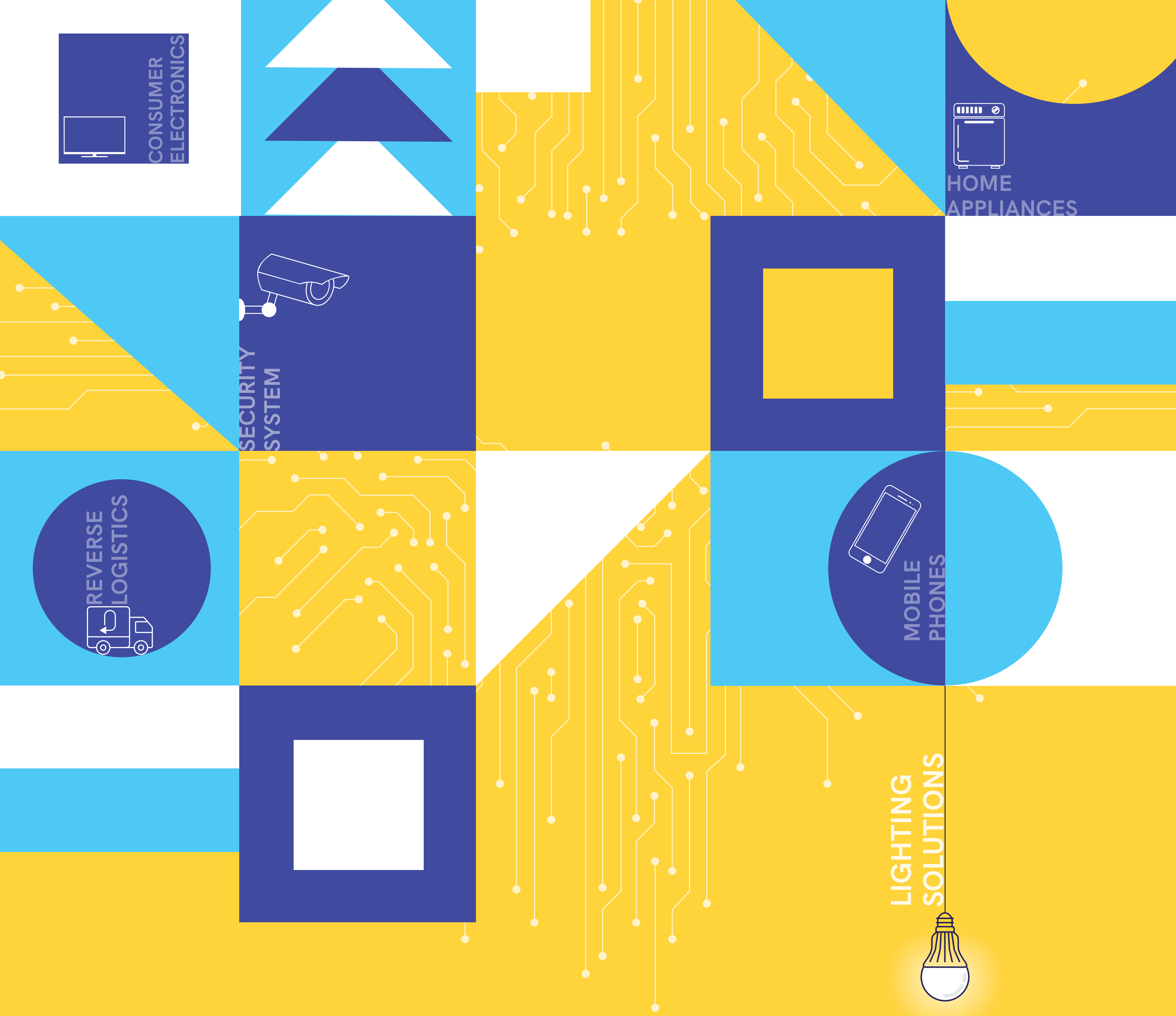
Yours faithfully,

For **DIXON TECHNOLOGIES (INDIA) LIMITED**

DIXON TECHNOLOGIES (I) LTD. B-14,15 Phase-II. NOIDA

Ashish Kumar
(Group Company Secretary and Compliance Officer)

Encl: as above



UNFURLING POSSIBILITIES

with Dixon

Dixon Technologies (India) Ltd.

Annual Report 2019-20

Dixon®

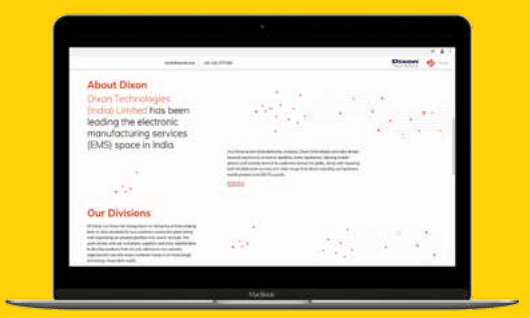
The brand behind brands

For the ambitious, possibilities are pathways to success.

Leading to new avenues of success, every possibility is an opportunity to grow and expand further. Brimming with an enthusiasm to make a mark, we believe in unfurling possibilities for sustainable growth, aiming for greater glory and cementing our position as market leaders.

Focusing on future growth and innovation we have successfully laid the foundation for sustaining a lasting momentum. We, at Dixon, believe in unearthing opportunities and are upbeat about translating our thoughts into action. Our stellar growth and impressive numbers are nothing short of a crystal clear reflection of our zeal to outperform and stand taller than the rest.

At Dixon, we believe in unfurling possibilities, to improve, innovate and explore trajectories that behold the assurance of a promising future.



INSIDE THE REPORT

02
CORPORATE OVERVIEW

02 Our Progress in FY 2019-20
04 Introducing Dixon Technologies
06 Business Segment Review
12 Chairman's Message
14 Q&A with Managing Director
16 Message from CFO
17 Empowering our people
18 Performance Over the Years
20 Creating Value Across Operations
22 Multiplying Opportunities
24 Strategically Moving Ahead
26 CSR Initiatives
28 Profile of Board of Directos
30 Management Team
31 Corporate Information

32
STATUTORY REPORTS

32 Directors' Report
87 Management Discussion & Analysis
96 Corporate Governance Report

119
FINANCIAL STATEMENTS

119 Standalone Financial Statements
195 Consolidated Financial Statements

Throughout the report look out for this.

Reference to other pages within the report

OUR PROGRESS IN FY 2019-20

Product Diversity

Dixon is renowned for its ability to constantly introduce innovative and improved products across segments. Riding on the back of new-edge technologies, we continued to take our company forward. This year too was no different. We continue to invest in research and development, bringing new products that meet our customer's needs and exceed their expectations.

Page 6-11
to read more

Empowering People

One of the key pillars of our success is our human resource. Over the years, we have tried to build a talent pool, committed and dedicated to learn, improve and develop new skills and apply them to honour our vision, strategies and core values.

Page 17
to read more

102%

YoY growth in operating profit

Consumer Electronics

25%

YoY growth in operating profit

Home Appliance

48%

YoY growth in operating profit

Lighting Solutions

157%

YoY growth in operating profit

Mobile Phones

497%

YoY growth in operating profit

Security surveillance system

Exploring Horizons

In our endeavour to emerge as a 'one-stop-solution' across our verticals, we have constantly improved our capacities and capabilities through operational efficiency.

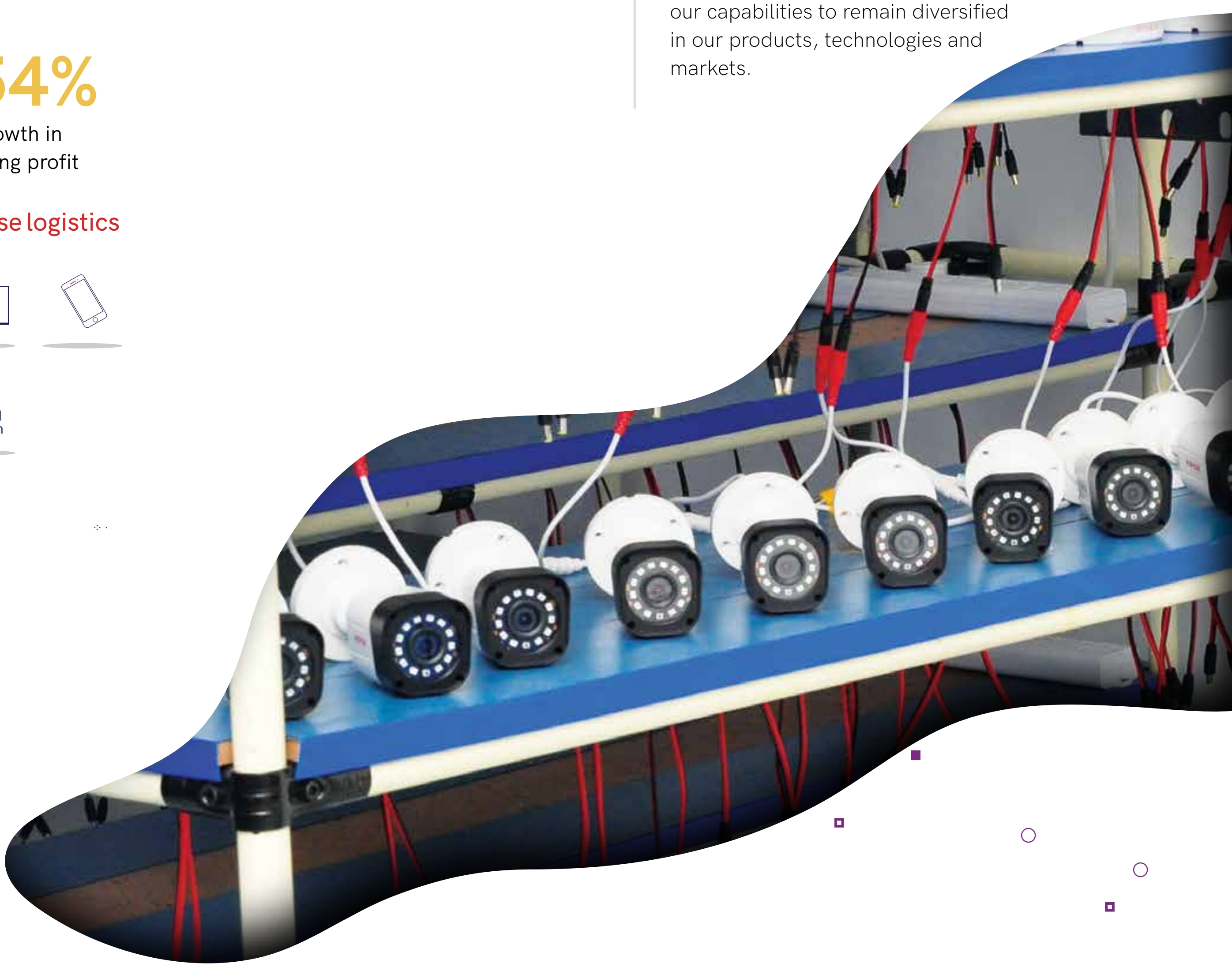
Building on Capabilities

At Dixon, we have been exploring export opportunities in various countries and have allied with leading international brands to create a market for our products. Our growing presence in the global market boost our capabilities to remain diversified in our products, technologies and markets.

254%

YoY growth in operating profit

Reverse logistics



INTRODUCING DIXON TECHNOLOGIES

For over two decades, Dixon Technologies (India) Limited (Dixon) has stood firm against changing economic trends to emerge as India's leading electronic manufacturing service provider.

Dixon has positioned itself to deliver on the ever-changing needs of customers globally, across all the verticals including consumer electronics, home appliance, lighting solutions, mobile phones, security devices and reverse logistics. We focus on providing innovative, design oriented and technology-backed solutions to leading domestic and international brands resting on our exceptional manufacturing capacities and robust R&D centres.

Motivated by our Vision

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

Guided by our Mission

Our Mission is our guiding force and here's what keeps us moving ahead.

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

Respect for the Individual - Emphasis on dignity, equality and individual growth.

Quality - Execute with excellence; exceed customer expectations.

Powered by Values

We, at Dixon, strictly adhere to our values, and emphasize on:

Quality, Customer's trust – Offering innovative products and services that meet customer expectation.

Trust (nurturing relationships) – Laying the foundation for a trust-based and long-term relationship with each and every customer.

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

Supplier Partnerships – Emphasize communication, training, measurement and recognition.

Business Ethics – Conduct business with uncompromising integrity.

Social Responsibility – Be an asset to the community.

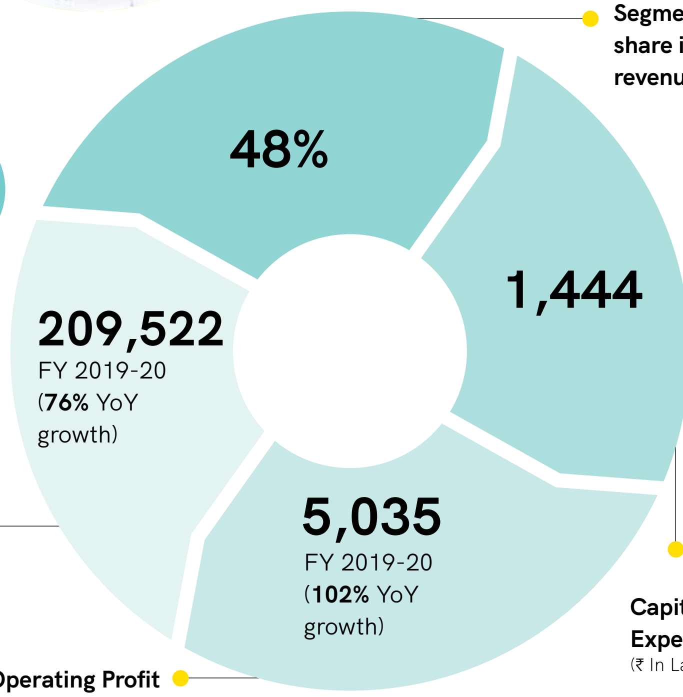
Building our Presence

BUSINESS SEGMENT REVIEW

At Dixon, we remained buoyant about protecting our diverse business segments by adding new products across vertical. Strategic management, execution and capital allocation across each vertical has also helped us reap industry leading profitability and margins.

Consumer Electronics

We offer a wide range of products under Original Equipment Manufacturing ('OEM') and Original Design Manufacturing ('ODM') models, delivering smart TVs, ultrahigh definition, commercial display and signage display. The innovative products help our customers provide more value to the end-users.



Manufacturing capacity

3.6 million

TV Units per annum as on March 31, 2020

Largest

Manufacturer of TV sets in India at a single Location

> **"We are constantly developing new products to meet end-user requirements. Being the largest manufacturer of TV sets in India, we expect to increase the production further by 40% in the coming fiscal, capturing almost 30% of the TV sets manufacturing market. Further, as brands look to reduce their refurbishment cost, more and more companies will outsource such operations to established players like us for addressing end-user queries."**
>
> **Abhijit Kotnis**
> President- COO - Consumer Electronics & Reverse logistics

Reverse Logistics

We widened our repair and refurbishment services for products, including Set top boxes, Mobile phones, LCD and LED TVs, LED Panels, currency-counting machines and PoS terminals (Card machines)

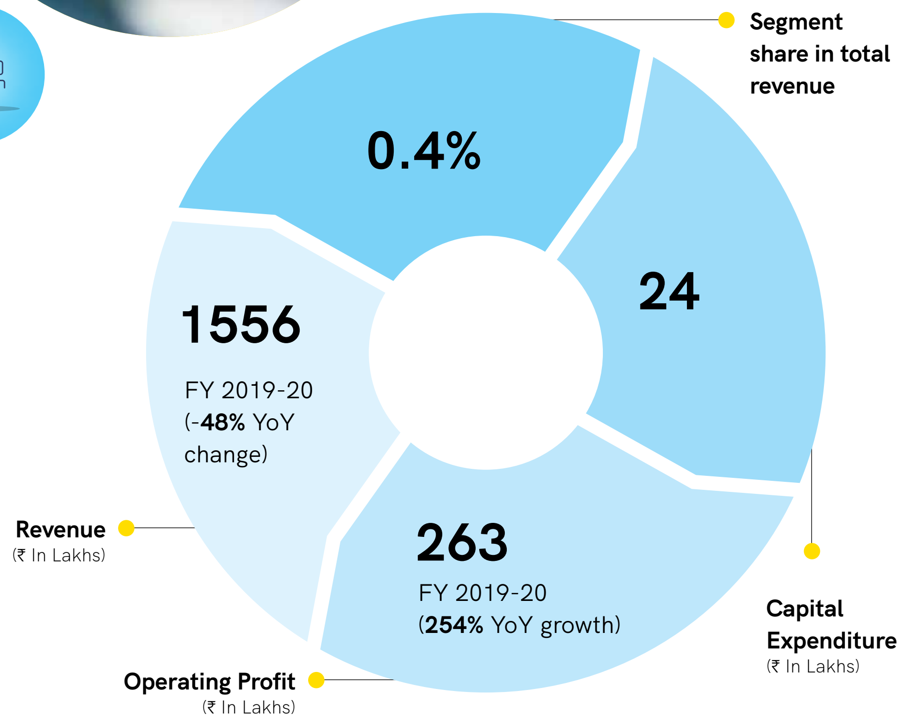
Highlights for Consumer Electronics FY 2019-20

We improved the order book for our prominent smart TV anchor customer

Scaled up order book for existing customers

Added new products like LED and Smart TVs.

Discussion with major brands to make our foray in the export market in the short-term



220

Technicians and workers

Highlights for Reverse Logistics FY 2019-20

Alliance with renowned a TV brand to address repair and refurbishment queries

Widened offerings to include PoS terminals and other key consumer-centric electronic goods

BUSINESS SEGMENT REVIEW

Lighting Solutions

We are one of the top global manufacturers of indoor lighting and LED bulbs. We have expanded our product offerings to include main electronic board designing, mechanical and light source and package designing.

Manufacturing capacity

240

Bulbs per annum as on March 31, 2020 (in million)

24

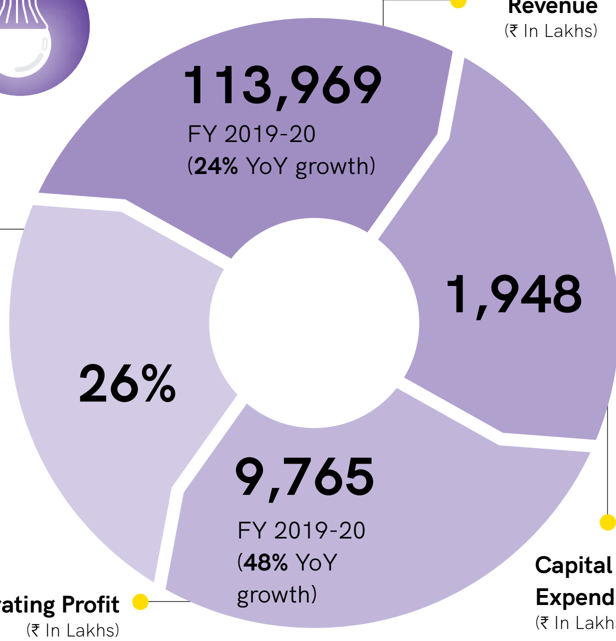
Batens per annum as on March 31, 2020 (in million)

6

Downlighters per annum as on March 31, 2020 (in million)

98%

Of production under ODM model for all major brands



Highlights for Lighting Solutions FY 2019-20

Successfully completed the backward integration of all major products in the vertical

Enhanced the skill set of our team to introduce innovative technology-led products like Internet of Things (IoT)

Started exports to countries like Malaysia, Indonesia and Mexico with strategic tie-ups

Invested in process automation for key products to help reduce operational cost significantly

"Our ability to expand our capacities and product offerings under ODM model has helped build the order book significantly, with the addition of new customers. For example, we manufacture almost 45% of the bulbs in the Indian market and are among the leading companies at a global level, delivering large quantities of superior quality products."

Vineet Kumar Mishra
President- COO – Lighting Solution

Home Appliances

We design, manufacture and market a broad line of high performance washing machines equipped with advanced features such as magic filter, air dry, water fall, side scrubber etc.

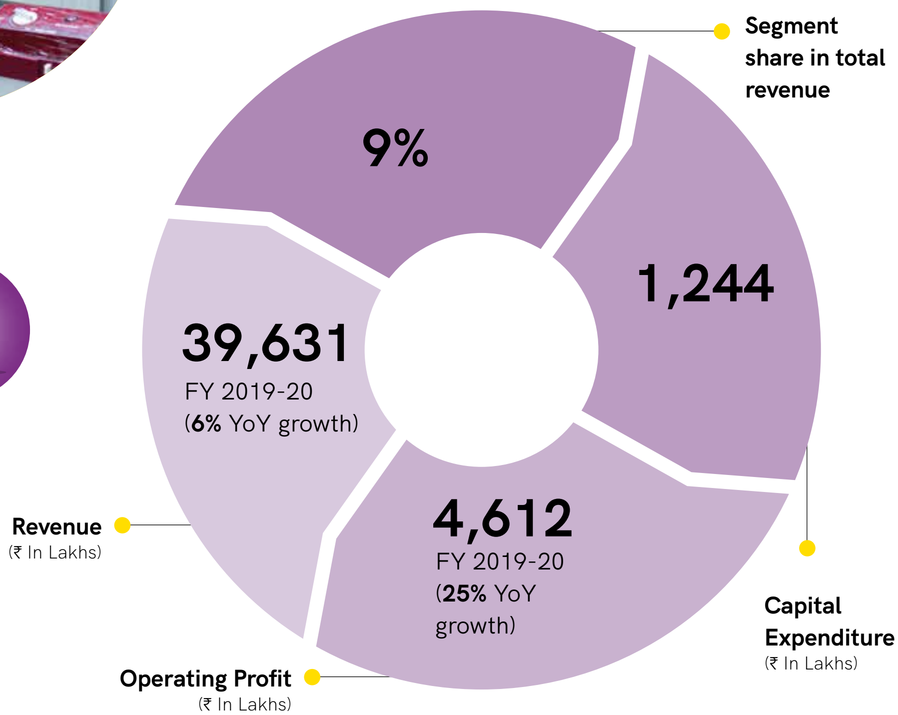
Manufacturing capacity

1.2 million

Washing machines per annum as on March 31, 2020

11kgs

Semi-Automatic machine to be commercialised by November 2020



Highlights for Home Appliances FY 2019-20

We offer a complete range of semi-automatic washing machines from 6-10kg

Manufacturing of fully Automatic washing machine to begin at new plant at Tirupati by November 2020

Fusion of electronic panel to be introduced in semi-automatic washing machines

"We have expanded our capacities and product variants for semi-automatic washing machines in the last two years, thereby adding all major brands to our client list. We have also accelerated our plans to foray into fully automatic washing machines and start exports in the coming fiscal, which allows us to strengthen our market share."

Rajeev Lonial
President- COO - Home Appliances

BUSINESS SEGMENT REVIEW

Mobile Phones

The increasing penetration of internet has led to a surge in mobile phone demand, leading to a significant rise in production. We currently manufacture feature phones, smart phones, PCBA for mobiles with a backward integration framework.

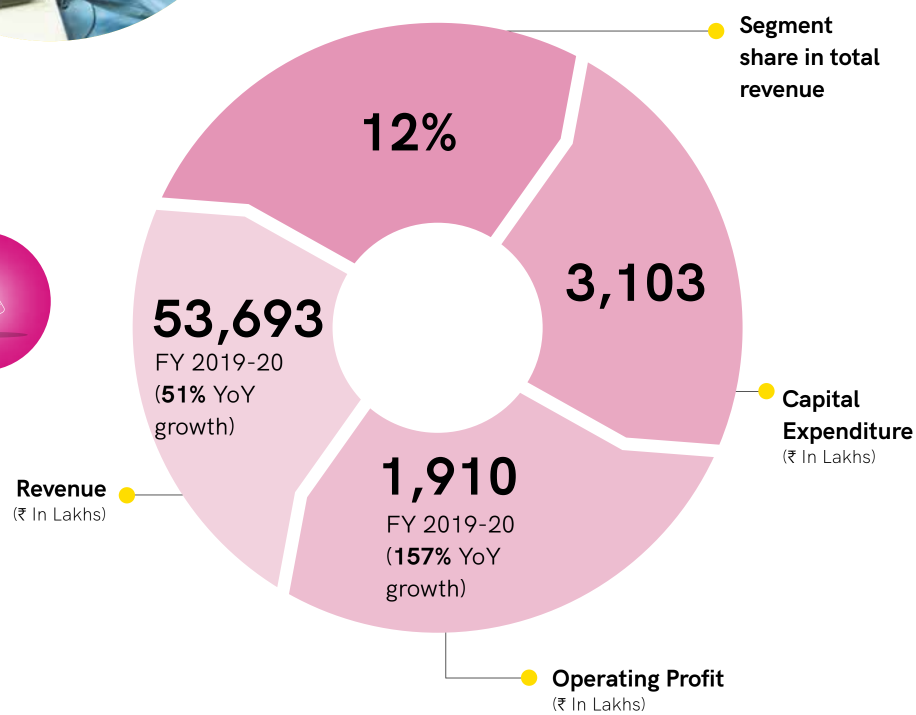
Manufacturing capacity

32 million

Mobile per annum as on March 31, 2020

100%

Of production under OEM model for all major brands



Highlights for Mobile Phones FY 2019-20

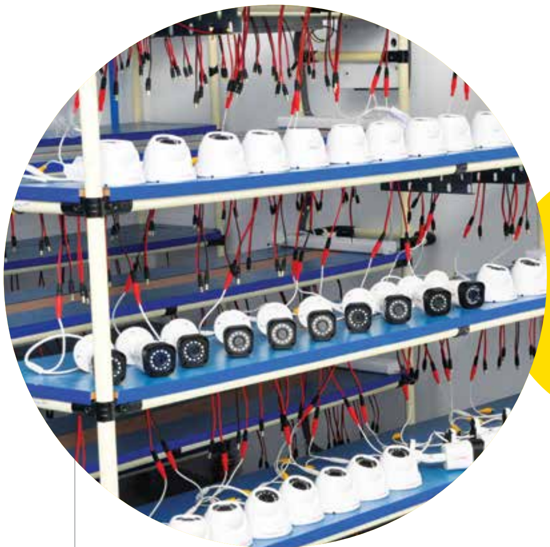
The underutilised capacity of mobile phone plant was strategically modified (with a minor capex) to manufacture set-top boxes

Started manufacturing hybrid set-top boxes

Added a major global giant as a customer for mobile phones segment

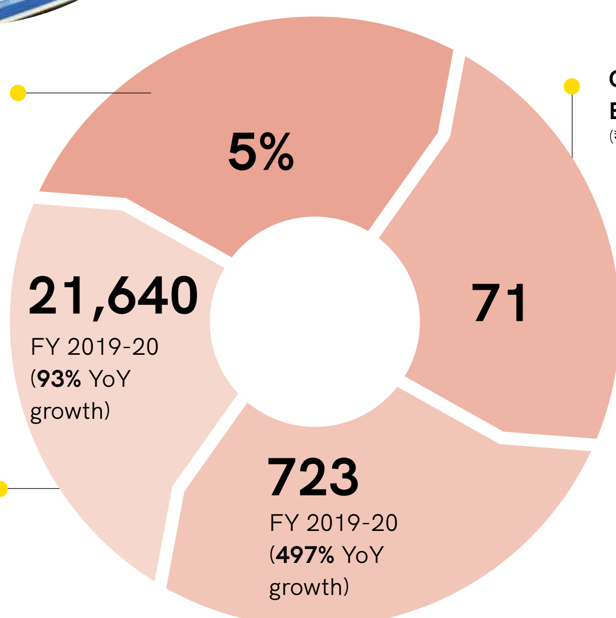
"We remain optimistic about the growth of this business segment with improvement in digital technology and anticipate greater reach among people. Favourable government policies will further boost the segment, backed by our robust operations and agile systems."

Pankaj Sharma
President- COO - Mobile phone & Security Surveillance systems



Security Surveillance systems

Since the launchof this segment in 2018, we have significantly improved in the manufacturing of security surveillance systems, ramped up production and added new customers. We are pioneers in manufacturing security devices such as CCTV & Digital Video Recorders (DVRs).



Manufacturing capacity

8.4 million

CCTV per annum as on March 31, 2020

1.8 million

DVR per annum as on March 31, 2020

100%

Of production under OEM model for all major brands

Highlights for Security Surveillance Systems FY 2019-20

The shift in demand for IP cameras from conventional Analog cameras will drive margins for this segment

CHAIRMAN'S MESSAGE

> **Our investments in capacity expansion** and de-bottlenecking existing capacities have helped deliver **desired results for diversifying our portfolio.**
>
> **Sunil Vachani**
> Executive Chairman

Dear Shareholders,

As a leading Indian company in Electronic Manufacturing Services (EMS) space, Dixon is currently operating in a dynamic industry scenario. As technologies continue to evolve rapidly for 'consumer' centric products, in line with changing consumer taste, we at Dixon have demonstrated our ability to adapt with great effectiveness.

In our two decades of existence, we stand at an exciting juncture in our corporate journey. There are limitless opportunities and possibilities to unfold in the times to come and Dixon stands perfectly positioned to capitalise on the same.

The country's rising per capita income and higher disposable income is burgeoning to reach its peak. The penetration of mobile across urban, semi-urban and rural regions have opened opportunities for door-step delivery of goods and services, something that was unimaginable in the past. In the last five years, this favourable scenario allowed several global brands to explore the country's electronic appliances and lighting space and also contributed to the rise of several home-grown players.

Dixon has rightly evolved to capitalise on the changing industry scenario. Today, our product portfolio comprises a wide range of consumer electronic products and home appliances, having some of the biggest multinational brands and leading domestic brands as our customers. Our strategic shift from the OEM model to ODM has also brought significant tangible and intangible benefits for us as well as our clients. I would like to acknowledge our R&D team's untiring efforts, that has helped us establish ourselves as a leading ODM player in some of the leading products in our basket.

The results were visible, we recorded a stellar performance for the year under review. Our revenues grew by 47% y-o-y to ₹ 4,405 crs in FY 2019-20 from ₹ 2,990 crs in the previous year. Our EBIDTA and PAT stood at ₹ 228 crs and ₹ 120 crs respectively for FY 2019-20, growth of 62% and 90% respectively for the year. We also posted record margins for the fiscal, with PAT and EBIDTA margins at 2.7% and 5.2% respectively. The progressive numbers are a reflection of the work we have done in the past few years, defying a challenging economic scenario.

The ongoing challenges in domestic economy, influenced by multiple factors (domestic and global), have resulted in weaker than expected performance for the industry. Despite the odds, our results were materially above expectation due to a number of reasons. Our shift towards ODM business model, backward integration of almost all our products, new customer additions with an enhanced product portfolio and focus on cost reduction helped us achieve our goals..

We are today one of the largest manufacturers of TV sets in India with a strong set of renowned brands. This was largely backed by new capacity addition and upgradation in the segment. We continue to garner a strong market share in TV set manufacturing, bringing cost-efficiencies for our existing anchor customers, while adding new brands during the year.

Home appliances is another segment where we have excelled in the recent past. For instance, we have more than 140 models of semi-automatic washing machines in our portfolio, with fully automatic washing machines expected to be in commercial production from Nov, 2020. Overall, we will be increasing our capacities in washing machine manufacturing which is ~25% of the Indian requirement, catering to a wider customer base comprising renowned brands.

Our lighting business has grown at a steady pace. We have been migrating more towards ODM business model which now accounts for 90% of the share of the segment. This along with improvement in operational efficiency, backward integration and strong relationship with existing clients has enabled us improve our margins significantly. With rising demand for smart solutions, we have also forayed into smart LED bulbs which is witnessing favourable demand. Going forward, we aim to focus on the global market and establish a strong presence.

Moving on to our mobile phone segment, we have been significantly increasing our capacities on the back of a healthy order book. The operating profit has witnessed stellar growth of 157% on account of new acquisitions and economies of scale. We foresee significant opportunity to expand in the segment. As a result, we are planning to invest in setting up infrastructure for mobile phone manufacturing with an endeavour to rank among the top 3 players in the country.

Our security surveillance system remained under pressure due to its discretionary nature. However, we have successfully turned around our reverse logistic segment to a profit making business from a loss making one. Healthy orders for LED TV panel repairs helped us to achieve this target.

Our investments in capacity expansion and de-bottlenecking existing capacities have helped deliver desired results for diversifying our portfolio. We are leveraging the strength of each business vertical and accelerating growth opportunities across verticals to sustain stakeholder confidence. We are playing a leading role in the fourth industrial revolution, automating processes and introducing technologies that have helped achieve operational excellence.

One of the major highlight that am proud to share with you is that we have forayed into a medical diagnostic segment. We have, through our Joint venture Company- AIL Dixon Technologies Private Limited, signed a memorandum of understanding with one of the leading diagnostic companies of India to manufacture RT-PCR S device. An innovative product used for COVID-19 tests, it can deliver results within 55 minutes of swab testing. The device has been approved by ICMR and we have received a huge order for the same. Considering the sensitive nature of the equipment, we have upgraded our facilities to meet the requirements of medical grade components.

The outbreak of Covid-19 pandemic has left countries across the globe shaken and battered and the world economy has come to a 'sudden stop'. It has triggered an unprecedented health and economic crisis across the globe. As the cases started to multiply in March, sales dropped and it led to a slowdown in sales. Eventually, as a countrywide lockdown was imposed, manufacturing activities came to a halt. However, during these challenging times, our focus has been on ensuring the health and safety of our employees, maintaining a healthy cash flow and reducing costs.

Despite the challenging scenario, we are optimistic about successfully navigating through these tough times and emerging stronger.

I do wish to express my appreciation for all the employees at Dixon, the Board and management team's contribution to deliver sustained healthy performances. I would also like to thank our business partners, shareholders and bankers for their ongoing engagement and continuous support. I believe all our efforts with the right people and an effective strategy will play a meaningful role for Dixon's future growth.

Sunil Vachani
Executive Chairman

Q&A WITH MANAGING DIRECTOR

In a rapidly evolving business environment, how does Dixon continue to remain relevant and improve its market leadership?

Given the recent advances in technology and product innovation at a breakneck speed, we at Dixon, have shown the propensity to remain relevant. In the context of rapid changes in business environment, we have demonstrated a resilient attitude to underpin innovation and quality to deliver multiple and innovative products to our diverse customer base. We continue to leverage our integrated business model and state-of-the-art manufacturing capacities along with our robust R&D capabilities to strengthen our foundation and deliver sustainable value for all stakeholders.

Can we have some insight on how business integration is helping reap operational excellence and other tangible results?

As we continue to emerge as a leading ODM and OEM player in the electronics and consumer products segment, our operational excellence forms the corner stone of our success story. This was largely possible on account of backward integration across key business segments, structured over a period of time and on account of our fungible assets which enhances our operational leverage. These assets have largely helped us in scaling our production capacities across verticals. We have seen multiple benefits arising from our integrated business model. It has helped to increase capacity utilisation, improved quality standards and reduced operating costs, thereby improving margins. It has also led to the addition of more customers, widened our topline and increased order capacity from existing customers.

Mr. Atul B Lall
Managing Director

Can you elaborate on the achievements and highlights of your business segments?

Our continued efforts to reduce cost and improved focus on operational restructuring have accelerated our achievements across business verticals. Revenue from consumer electronics segment grew by 76% over the previous fiscal, reaching ₹ 209,522 Lakhs in FY 2019-20. We expect the segment to deliver sustained growth in the near short-term, after we complete the capacity expansion of our television segment. We are also doubling our assembly and process lines for LCM and PCBA to further reduce our delivery time. The addition of new customers, an increased order book from our anchor customers and the likelihood of getting some more reputed clients in the

"We turned around the reverse logistics segment in second half of the current fiscal with a strategic partnership with a leading TV brand for refurbishment and panel repairs.

near future will result in a sustained momentum for the segment.

The lighting segment reported a steady growth of 24% y-o-y, with majority of our customers now migrating to the ODM model. This has resulted in operating margin expansion of 1.4 bps to 8.6% for FY 2019-20 from 7.2% in FY 2018-19. The order book remains strong with new customer additions and steady capacity improvements across product segments.

The subdued market demand and weak economic sentiments in the second half of FY 2019-20 created a large inventory for our home appliances customers, resulting in a weaker order book and moderate revenue generation of ₹ 39,631 Lakhs. However, our cost controls did help us record operating margins of 11.6% for FY 2019-20. We are aggressively widening our product portfolio in this segment, with the addition of top load fully automatic washing machines with 45 variants, in addition to over 140 variants of semi-automatic washing machines.

Our mobile segment witnessed under capacity utilisation during the first two quarters of the fiscal, with our customers witnessing weak market demand. We added new customers during the third quarter, utilising our capacities and reporting a segment revenue of ₹ 53,693 Lakhs for the year. Our Security Surveillance System segment witnessed some pressure due to its discretionary nature and the order book did not showcase significant improvements.

But, we successfully turned around the reverse logistics segment in the second half of the current fiscal with a strategic partnership with a leading TV brand for refurbishment and panel repairs. We shall leverage our existing infrastructure to further drive growth in this vertical. During the year, we reported growth of 254% y-o-y in operating profit to touch ₹ 263 Lakhs against a loss of ₹ 171 Lakhs in the previous year.

Q Taking into account Dixon's strong foothold in the domestic market, can we expect exports to be the next-growth engine for the Company?

A Absolutely. We feel, with the kind of capacity expansion and integrated business structure that we have created across our diverse product portfolio, a growing overseas revenue model is not far away. We expect export revenues to kick-in from our existing multinational customers in near future.

Q Do we expect more capacity expansion for any of your business segments?

A In the last two years, we have invested more than ₹ 172 Crores in expanding our existing operations, assembly lines, processing lines and diversifying our business into newer verticals. The economic environment in our country haven't exactly been encouraging during this time. Therefore, such aggressive moves speak volumes about our ambitions and targets to further strengthen our capacity. We are now focused on improving capacity utilisation across product lines and plants to improve our margins and profitability.

Q Amidst the recent Covid-19 pandemic and the looming economic crisis, how do you assess your Company's business for the months ahead?

A Looking ahead, there is impending and unavoidable stress on every industry and company across the globe – and its financial, social and people impact will be huge. However, Dixon has adequate strength to over come such challenges. We had adequately backed up our inventory before the countrywide lockdowns were imposed and sustained production levels at our facilities, despite the challenging situation. The Government of India has been undertaking various initiatives to boost domestic manufacturing Industries and the recently introduced Production Linked Incentive Scheme is one such step in this regard. It is a huge opportunity and we are working towards leveraging the same. Also, with our cost rationalisation measures and resumption of operations across factories, we remain optimistic about maximising our revenues, enhancing operational efficiency and increasing return on investments to successfully foster future growth.

MESSAGE FROM CFO

Dixon

delivered robust performance in FY 20

We generated solid Free Cash Flow (FCF) post Capex of ₹ 92 Crores on account of strong earning expansion, working capital efficiencies & disciplined investment which also resulted in net debt free status as of 31st March, 2020. Focus on operating efficiencies and financial discipline also helped us maintain healthy return ratios of ROCE of 33% and ROE of 26%

Dear Shareholders

Dixon achieved strong performance in FY 2019-20 as business delivered robust results led by strong performance across all verticals, supported by strong customer addition and robust volume growth. The same is reflected in our top line growth of 47% and 90% growth in bottom-line over the previous fiscal. The solid results were in line with our targets set at the beginning of the year.

Dixon stands today on a solid financial foundation. Our revenue increased to ₹ 4,405 Crores in FY 2019-20 from ₹ 2,990 Crores in the previous year; while the Profit after Tax (PAT) increased to ₹ 120 Crores from ₹ 63 Crores in the previous year. Our EBITDA margin improved by 50 bps to 5.2%.

We generated solid Free Cash Flow (FCF) post Capex of ₹ 92 Crores on account of strong earning expansion, working capital efficiencies & disciplined investments which also resulted in a net debt free status as of 31st March, 2020. Focus on operating efficiencies and financial discipline also helped us maintain healthy ROCE of 33% and ROE of 26%. We take pride in being a company which has been successful in financing significant investments through internal accruals, thereby retaining our debt-free status on a net basis.

Dixon believes in inclusive growth and rewarding all its stakeholders is of prime importance. Accordingly, which we have consistently with delivered regular dividends post listing. We take pride in our standards of corporate governance and consider it as a key driver of sustainable growth and long-term value creation, allowing us to also foster an efficient risk management framework.

Our relentless focus on scaling up operations, backward integration and improving our design capabilities have helped us to strengthen our relations with existing clients. Fulfilling these objectives, allow us to generate significant operating leverage and reinstates our competitive edge to capture a greater market share.

Our scale of operations and growth across all segments will help to deliver superior and reliable returns over the long term.

Progressive government policies and reforms are also aligned to the growth of the electronic sector and it is making Indian companies a part of the global supply chain, at a time, when International companies are looking at expanding their footprint beyond China and seeking opportunities other markets. We are sitting on an inflexion point, wherein we can think of new investments and capacity expansion. Over a period of time and I am confident that these reforms will help India emerge not only as a manufacturing base for serving domestic markets but also for export markets.

In line with our aspirations, we are on course to generate even stronger free cash flow, increased ROCE and ROE and improved EBITDA margins. In an ever changing and vulnerable business environment, posing multiple challenges, our financial prudence coupled with ethical governance is likely to keep us on a healthy growth trajectory.

My colleagues and I deeply appreciate the steadfast support of all our stakeholders who stood by us and I am extremely excited about the growth opportunities that lie ahead of us. Your Company is positioned strongly to capture a significant portion of this growth opportunity.

Mr. Saurabh Gupta
Chief Financial Officer

EMPOWERING OUR PEOPLE

We strive to build a high-performance work culture that empowers our team to achieve more, every day. Our organisational success is defined by our team of engaged, committed and ambitious individuals.

An engaging culture

As a performance driven company, we ensure our team is doing the right job on a daily basis. Our HR policies are designed to foster a passionate and committed workforce that is dedicated to accelerate growth. We also encourage balanced and inclusive work culture that embraces diversity at all levels. Going ahead, we shall further strive to build our reputation as a preferred employer.

Safety & Health

We continue to strive for zero injuries and fatalities across our operations and have a strong safety framework in place. We have developed performance indicators to observe the safety and health quotient more diligently, helping us prevent untoward incidents at the workplace.

Leadership & Training

As we aspire to build an engaged workforce, we continue to create opportunities for training and skill development. Programmes have been designed to improve career development and our efforts are directed towards inspiring people to grow and adapt to leadership roles within the organization. We have bestowed leadership roles to deserving candidates, recognising their contribution to the organization and entrust them to take the Company forward.

Our Response to COVID-19

The COVID-19 outbreak compelled us to adopt a new work order and adapt to the 'new normal'. To ensure safety and security of our people, we adhered to social distancing norms and strictly followed safety protocols. We also sanitized our office regularly and encouraged the use of masks and sanitizers in our factories.

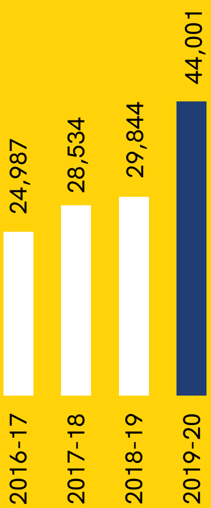
"Dixon acknowledges its accountability and responsibility to various regulatory and legal frameworks applicable across its area of operations. We are committed to maintain the strong integrity of our business resting on a well-defined framework of ethics and governance policies. Our governance structure, allows the Board and the management team to identify and mitigate possible operational and strategic risks that pose a threat to business sustainability. As a market leader in the electronic manufacturing services space, we continue to lead with our efforts to improve employment generation, ensure fair labour practices with an engaging work culture. We are committed to align our organisational goals and promote the financial well-being of the employees and partner them in their journey towards growth."

Mr Ashish Kumar
Group CS, Head-Legal & HR

PERFORMANCE OVER THE YEARS

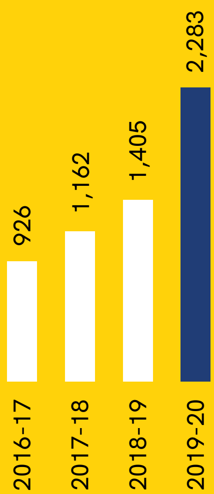
Revenue from operations

(₹ in million)



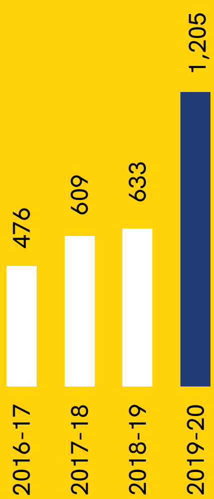
EBITDA

(₹ in million)



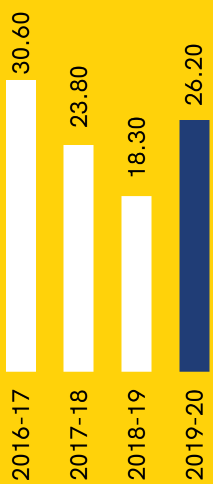
PAT

(₹ in million)



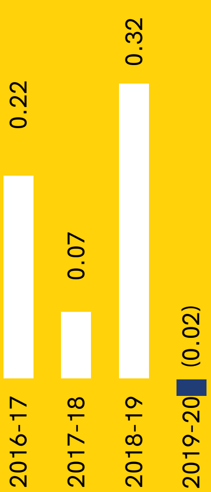
RoE

(in %)



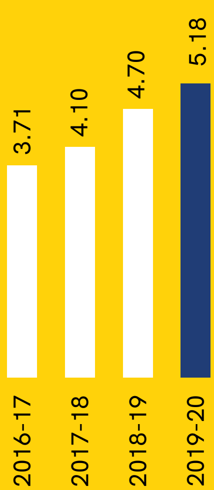
Net Debt-Equity Ratio

(in time)



EBITDA Margin

(in %)



PAT Margin

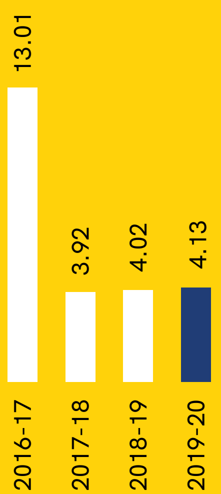
(in %)

RoCE

(in %)

Dividend payout ratio

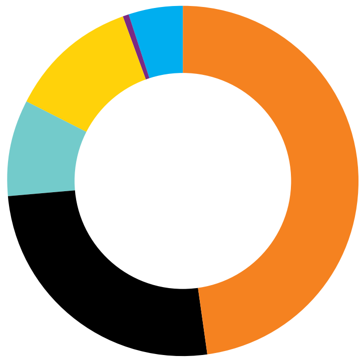
(on standalone basis)
(in %)



Revenue split by product category

(in %)

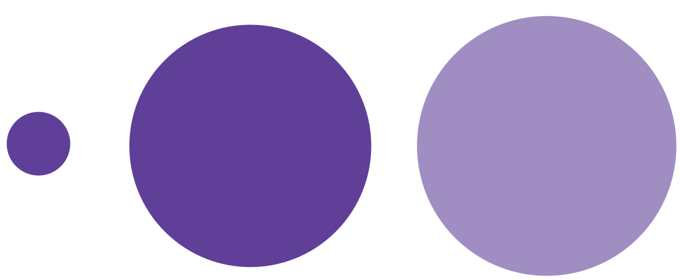
Consumer Electronics	48%
Lighting Products	26%
Home appliance	9%
Mobile phones	12%
Reverse logistics	0.4%
Security systems	5%



Original Design Manufacturer (ODM) Revenue share

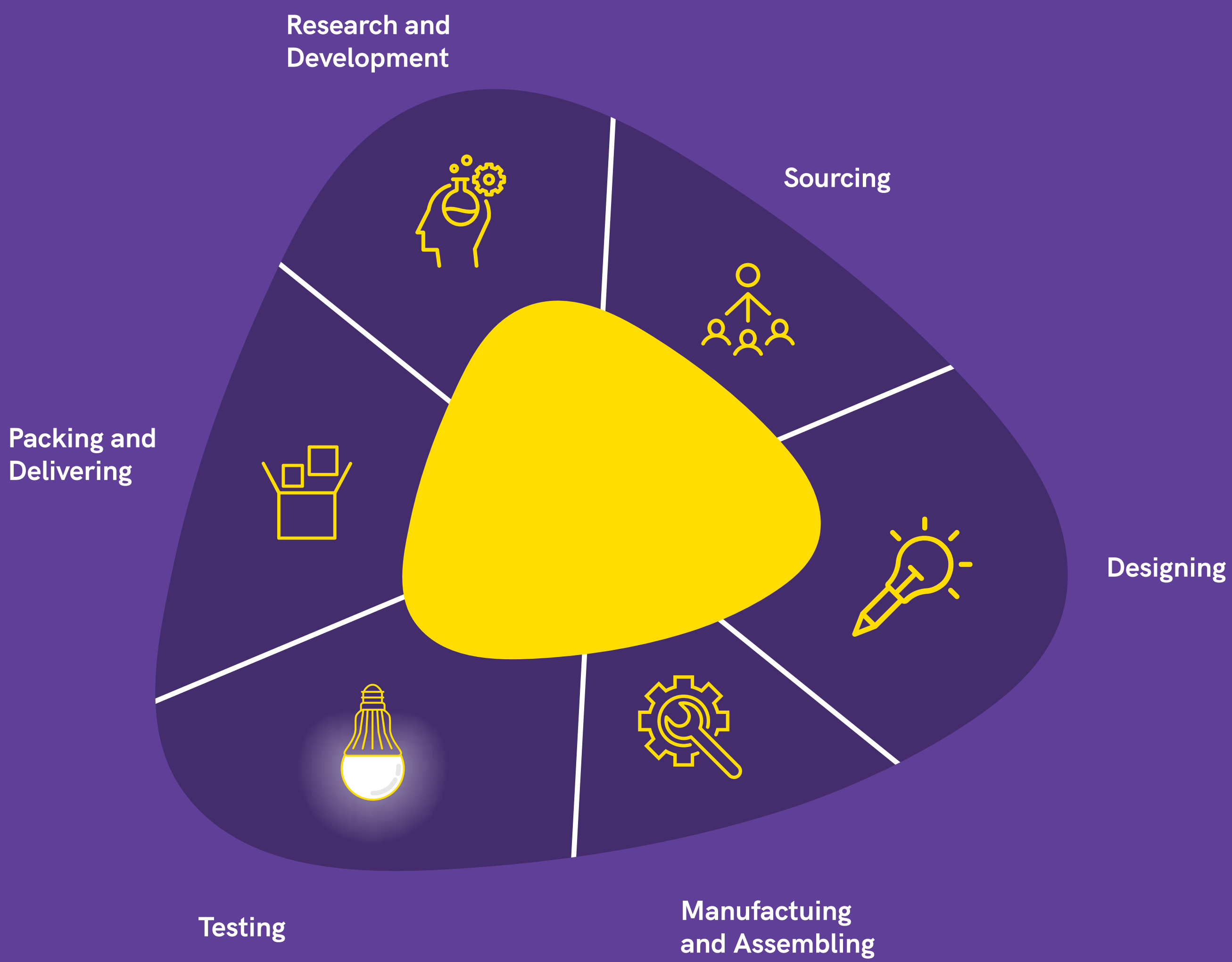
(in %)

Consumer Electronics	6%
Lighting Products	87%
Home appliance	100%



CREATING VALUE ACROSS OPERATIONS

We provide 360 degree solutions....



..generating value for every stakeholder

Shareholders / Investors

- Strong liquidity position
- Generating positive cash flow for dividend payments and repayment of debt
- Growth in Shareholder's fund
- Constant increase in our total assets

4.13%

Dividend pay-out ratio in FY 2020

Customers

- Introduce new value added products that meet our customers' needs
- Optimal use of digitization to products utilizing advanced technology
- High-quality products at competitive prices to attract consumers and encourage brand loyalty

Customer First. Customer Trust.

Our guiding principle

Employees

- Enhancing employee skills through various training and development initiatives
- Sound corporate governance practices aligning remuneration with performance
- Foster a work environment that guarantees health, safety, fairness and equal opportunity.

Communities

- Promoting education and literacy
- Giving back to the society through rural infrastructure, old age homes, hunger eradication programs and sanitation drives
- Generating employment opportunities across our manufacturing facilities.

₹ 1,56,00,000

Contribution towards CSR activities

MULTIPLYING OPPORTUNITIES

The appliances and consumer electronics (ACE) market has been evolving at a rapid pace, relying on with factors such as increased affordability, nuclear families and changing consumer needs. A dynamic industry is providing Dixon ample opportunities to improve its market reach and expand its offerings across segments.

Favourable Government policies

Such as 'Make in India' and Production Linked Incentive Scheme has the potential to transform India into a global consumer electronics manufacturing hub

Growing demand from Tier-2 and Tier-3 cities

For security systems on the back of growth in real-estate sector and smart cities

Growing population

Of new-age millennials, comprising about 25% of the population in India, continue to fuel the demand for ACEs in the country

Automation and technology

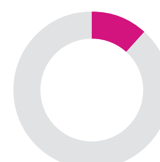
Internet of Things (IoT), Artificial Intelligence (AI) and Machine Learning (ML) are gaining traction and changing the operational dynamics across industries

Growing number of households and urbanization

Is propelling the growth of LED lights as they provide wide coverage, consume less electricity and are cost-effective

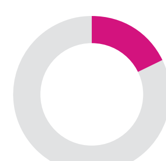
Unnat Jyoti by Affordable LEDs for All (UJALA) and Street Lighting National Programme (SLNP)

are the biggest demand drivers for the LED lighting market in India



11.7%

CAGR growth from FY 2018-19 to FY 2024-25 for five primary categories in the ACE market including televisions and washing machines



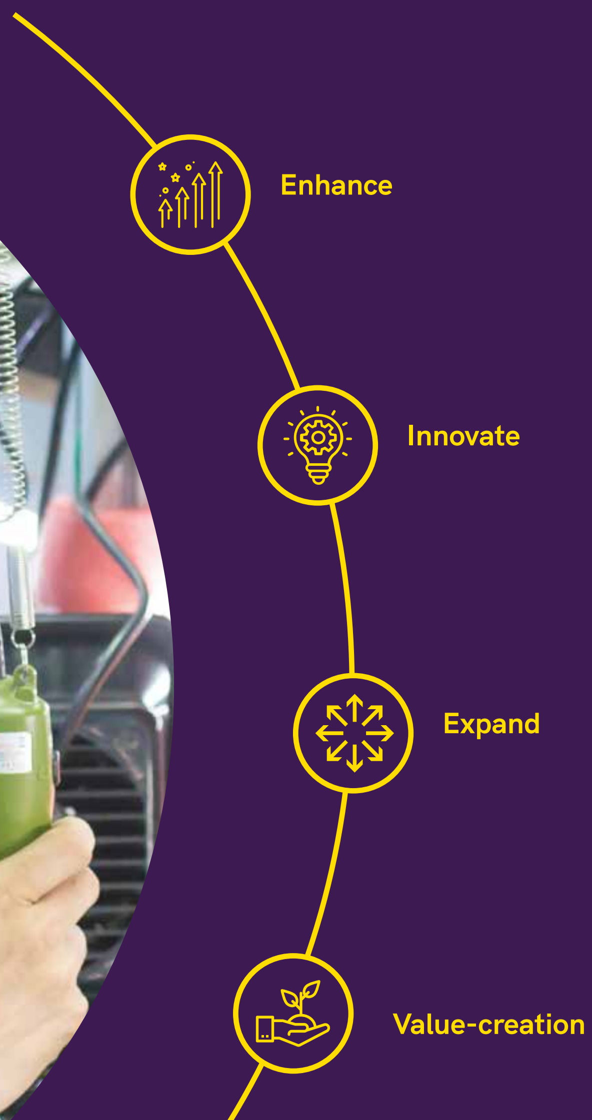
Domestic manufacturing of ACE is projected to grow at

17.8%

CAGR growth from FY 2018-19 to FY 2024-25

STRATEGICALLY MOVING AHEAD

The industry continues to thrive on changing dynamics and Dixon too is geared to keep up with evolving times. Leveraging our core competencies, we continue to adopt an innovative approach to differentiate our services and cater to the growing needs of customers. As we strategically move ahead, we focus on exceeding expectations and enhancing our capabilities to remain competent in a highly competitive business arena.



Innovate

Since our inception as a colour television manufacturer, Dixon, today, has evolved into a multi-product manufacturer. From being an efficient OEM player, we are today a recognised ODM player, with in-house R&D facilities. Our strong in-house R&D team, with proven expertise in developing innovative designs, enables us to address consumer requirements across geographies, introduce new and unique products in the market and enhance existing products using emerging technologies.

35

Members in R&D team in India and China as on March 31, 2020

Value-creation

Dixon's key strategic priority has always been on ensuring optimum utilization of available resources and creating value for our diverse stakeholders. Value-creation ranges from reducing environmental impact to increasing shareholder return. We constantly work towards reducing our impact on the environment by responsibly utilizing finite resources, such as water, gas and energy. To achieve this, we have adopted the Restriction of Hazardous Substances Directive (RoHS) process, which limits the use of six hazardous materials, including Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6), Polybrominated Biphenyls (PBB) and Polybrominated Diphenyl Ether (PBDE), in the manufacturing of electrical and electronic devices. We have a strong governance framework to ensure quality checks of all goods sourced from suppliers. We continue to engage with our stakeholders and maintain transparent communication to foster cordial relations.

414,194

Market Capitalisation as on March 31, 2020 (₹ in Lakhs)

Enhance

At Dixon, we constantly strive to enhance our capabilities driven by the evolving needs and demands of our customers. This enable us to widen our customer base, increase our market presence and sustain our revenue and profitability levels. Further, our business model that is largely integrated (with backward integration) for most of our business segments, has resulted in cost efficiencies, superior product quality and has increased order book value.

Adding

more customers and strengthening relations with existing clients

Expand

We offer 360 degree solution to our customers right from designing and manufacturing to assembly and delivery, across all our verticals including consumer electronics, home appliance, mobile phones, security devises and lighting products. From one manufacturing facility in Noida, today we have our 11 manufacturing units across the country. We have also widened our customer base with leading domestic and global brands across our business segments. Going forward, we will continue to enrich customer experience, enter into new segments and aim to penetrate export markets as well.

360 degree

Solution offered to our customers

CSR INITIATIVES
– GIVING BACK TO THE COMMUNITY

At Dixon, we strive to ensure holistic development of the communities in which we operate. Our CSR activities are aimed at improving our natural environment and empowering people to lead better lives. Our efforts to drive change within society helps to foster positive change by promoting equity and improving the quality of life of the underprivileged sections.

₹ 1.56 Crores

Spent towards CSR activities in FY 2019-20

Our focus areas

- Education
- Hunger eradication
- Socio-economic development
- Welfare of Senior Citizens
- Natural Disaster Relief

Key highlights of FY 2019-20

- Provided mid-day meal to school children in government schools and government-aided schools in Vrindavan
- Ensured successful operation of old age homes in Delhi and Garhmukteswar, providing shelter to many senior citizens
- Organized activity based curriculum for children, wherein they were provided knowledge, vocational skills and opportunities for development
- Provided education to differently abled children and empowered them with skills to freely mingle with others in society
- Contributed ₹ 50 Lakhs to PM CARES Fund

Jan Madhyam

SHEOWS

The Akshaya Patra Foundation

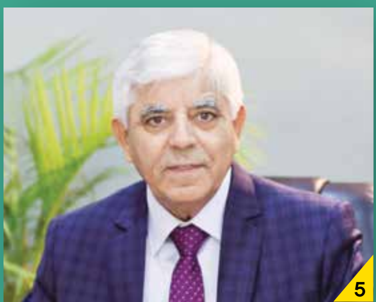
PROFILE OF BOARD OF DIRECTOS

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B Lall
Managing Director

Mr. Manoj Maheshwari
Non-Executive
Independent Director

Ms. Poornima Shenoy
Non-Executive
Independent Director



Dr. Manuji Zarabi
Non-Executive
Independent Director

Mr. Keng Tsung Kuo
Non-Executive
Independent Director

1 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 administrations 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 28 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 positions like chairman of the Electronics and Computer Software Export Promotion Council of India and Co-Chair of the CII ICTE Committee. He is currently the vice president of CEAMA.

2 Mr. Atul B Lall
Managing Director

Mr. Atul B. Lall, is the Managing Director of our Company. He holds a master's degree in management studies from the Birla Institute of Technology and Science, Pilani. He has been associated with our Company since inception. He is responsible for our Company's overall business operations. He has nearly three decades of experience in the EMS industry. He has served as a member of the Technical Evaluation Committee for Electronic Manufacturing Services under M-SIPS (Electronic Manufacturing ServicesEMS) constituted by the DeitY and served as a representative of ELCINA on the Committee for Reliability of Electronic and Electrical Components and Equipment (LITD. 02) of the BIS. He has also authored the book, 'Gita and India Inc.'

3

Mr. Manoj Maheshwari
Non-Executive
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. He has experience of over three decades in finance functions encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fund raising as debt and equity

4

Ms. Poornima Shenoy
Non-Executive
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 conceptualized 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 recognized 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.

5

Dr. Manuji Zarabi
Non-Executive
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 and retired as its Chairman cum Managing Director and has nearly three decades of experience. He was member of the working group on development of R&D and IP in electronics formed at DeitY.

6

Mr. Keng Tsung Kuo
Non-Executive
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 & Globalization Strategy, Change Management and Leadership & Management.

Mr. Kuo holds Master of Electrical Engineering from National Taiwan University and has also done his Executive MBA from National Taiwan University. Earlier he had been associated with Global conglomerates such as Hewlett-Packard Taiwan LTD and has also served in key positions in elite corporations such as United Microelectronics Corp, Lam Research Co., Ltd. and MediaTek Inc. He has also served as an Adjunct professor in National Taiwan University.

MANAGEMENT TEAM

For more details
scan the QR Code

1 **Mr. Sunil Vachani (KMP)**
Executive Chairman

2 **Mr. Atul B. Lall (KMP)**
Managing Director

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

4 **Mr. Vineet Kumar Mishra**
President - COO - Lighting

5 **Mr. Rajeev Lonial**
President - COO - Home Appliance

6 **Mr. Pankaj Sharma**
President - COO - Mobile Phone & Security Surveilliance Systems

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

8 **Mr. Saurabh Gupta (KMP)**
Chief Financial Officer

9 **Mr. Muneesh Dhawan**
Vice President, Business Development

10 **Mr. Kailash Chander Sharma**
Vice President, Stores

CORPORATE INFORMATION

Board of Directors

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B. Lall
Managing Director

Ms. Poornima Shenoy
Independent Director

Dr. Manuji Zarabi
Independent Director

Mr. Manoj Maheshwari
Independent Director

Mr. Keng Tsung Kuo
Independent Director

Key Managerial Personnel

Mr. Sunil Vachani
Executive Chairman

Mr. Atul B. Lall
Managing Director

Mr. Saurabh Gupta
Chief Financial Officer

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

Statutory Auditors

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

410 Ansal Bhawan
16 Kasturba Gandhi Marg
New Delhi - 110001
Ph.:+91 1143684444, 43008546
E-mail Id: contact@mazars.co.in

Internal Auditor

M/s Singhi & Co.

Chartered Accountants
1704, Floor 17, World Trade Tower,
Sector 16, Noida-201301
Ph.: 0120-2970005
E-mail Id: newdelhi@singhico.com
Website: www.singhico.com

Key Bankers to Our Company

HDFC Bank Limited
Standard Chartered Bank
ICICI Bank Limited
CTBC Bank

Annual General Meeting

Date: 29th September, 2020
Time: 03:00 P.M
Day: Tuesday

Registrar & Share Transfer Agent

M/s Karvy Fintech Pvt. Ltd
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Ph: +91 40 6716 2222
www.karvyfintech.com

Registered Office

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

DIRECTOR'S REPORT

Dear Member(s),

Your Directors take immense pleasure in presenting the 27th Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2020. The consolidated performance of the Company, its Subsidiaries and Joint Ventures have been referred to wherever required.

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

The Company's financial results are as under:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the financial year ended		For the financial year ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Revenue from Operations	3,67,149.94	2,52,576.62	4,40,011.74	2,98,442.62
Other Income	919.74	418.37	519.80	563.40
Total Income	3,68,069.68	2,52,994.99	4,40,531.54	299,008.02
Profit/Loss Before Depreciation, Finance Costs, Exceptional items and Tax Expenses	20,928.76	12,845.36	22,826.07	14,050.10
Less: Depreciation/Amortisation/Impairment	3,178.30	2,003.76	3,652.52	2,165.25
Profit/Loss Before Finance Costs, Exceptional items and Tax Expenses	17,750.46	10,841.60	19,173.55	11,884.85
Less: Financial Costs	3,509.92	2,430.16	3,496.72	2,503.59
Profit/Loss Before Exceptional items and Tax Expenses	14,240.54	8,411.44	15,676.83	9,381.26
Add/(less): Exceptional items	-	-	-	-
Profit/Loss Before Tax	**14,240.54**	**8,411.44**	**15,676.83**	**9,381.26**
Less: Taxes (current & Deferred)	3,180.08	2,774.02	3,626.82	3,045.45
Profit/Loss for the year	**11,060.46**	**5,637.42**	**12,050.01**	**6,335.81**
Total Comprehensive Income/Loss	**11,010.87**	**5,629.77**	**12,004.67**	**6,329.10**
Balance of Profit/Loss for earlier years	24,333.14	18,968.78	26,146.66	20,083.91
Add: Profit during the year	11,060.46	5,637.42	12,050.01	6,335.81
Less: Dividend paid on Equity Shares	689.31	226.50	689.31	226.50
Less: Dividend Distribution Tax	49.19	46.56	141.69	46.56
Balance carried forward	**34,655.10**	**24,333.14**	**37,365.67**	**26,146.66**

Overview and State of Company's Affairs

India's GDP growth rate is estimated to be 5% and Gross Value Added (GVA) is estimated to be 4.9% in FY 2019-20. The softening of growth, in comparison to the previous year, was on account of multiple headwinds such as slowdown in private final consumption expenditure and gross fixed capital formation. The Indian economy was going through a cyclical slowdown during most part of FY 2019-20, and was expected to revive in the next fiscal with the GDP growth expected to touch 6% on FY 2020-21. However, on account of the restrictions imposed to curb the outbreak of COVID-19 in the country starting March 2020, a significant disruption is expected across multiple sectors, which could negatively impact the outlook. Although the government has announced measures to mitigate the crisis, the quantum and duration of impact on the Indian economy is yet to be realized.

Despite these challenges in the domestic market, the performance of your Company during the year under review remained robust in terms of growth and sustainability. Your Company continued to emphasize on scaling up of operations and increase its portfolio of customers across all segments. Although there were major obstacles in the production and supply chain due to the ensuing lockdowns after the COVID-19 outbreak, your Company's operations were not affected significantly. The facilities continued to operate from mid May and we followed stringent safety procedures to ensure the well-being of our employees. We followed strict social distancing measures at our offices and factories and encouraged employees to abide by health and sanitization protocols mandated by the government.

Your Company has been constantly working towards accomplishing its vision of being the most preferred & trusted manufacturing & solution partner to brands operating across verticals. During the year under review, we acquired new customers and increased the scope of work with the existing customers across almost all verticals. This has enabled us to strengthen our market share and giving us an edge over our competitors. Moreover, your Company's strong balance sheet and liquidity position has enabled us to capitalize on growing market opportunities across all verticals. With the advent of technologies, your Company has adopted state-of-the-art technologies to increase its process efficiency. Also, your Company has been constantly migrating towards developing own solutions and hence not confining themselves to an Electronic Manufacturing Service ("EMS") company. For the growth of your Company, we incurred CAPEX of ₹ 83.57 Crores in FY 2019-20 and ₹ 87.92 Crores in the previous year across all our segments. Also, on 12th April, 2019, your Company had acquired 100% equity shareholding of Padget Electronics Pvt Ltd., earlier a Joint Venture Company wherein your Company held 50% equity shareholding prior to said acquisition, thereby making Padget Electronics Pvt. Ltd., a Wholly Owned Subsidiary of your Company. Also, your Company incorporated a Wholly Owned Subsidiary-Dixon Electro Appliances Private Limited on 15th January, 2020 with an object of manufacturing and dealing in, inter-alia, consumer durables and electronic appliances. Apart from the same, there has been no other acquisition, merger, expansion, modernization and diversification during the year under review.

During the year under review, your Company has not developed, acquired or assigned any material Intellectual Property Rights .

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

Appropriations

Dividend

The Board of Directors of your Company at their meeting held on 18th March, 2020 declared an Interim Dividend of ₹ 4/- per Equity Share of ₹ 10/- each i.e. 40% on the Paid up Equity Share Capital of the Company. The said Interim Dividend was paid to all those members who were shareholders of the Company as on the record date i.e. 26th March, 2020 and the said dividend was paid to the shareholders as per the provisions of the Companies Act, 2013 (hereinafter referred to as "Act") and rules made there under.

The total amount of Interim Dividend paid is ₹ 462.81 Lakhs and ₹ 2.63 Lakhs was paid as the Dividend Distribution tax on the said Interim Dividend.

The Board of Directors of your Company had approved and adopted the Dividend Distribution Policy containing all the necessary details as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The Dividend shall be payable in accordance with the Dividend Distribution Policy, which is available on the website of your Company at https://dixoninfo.com/json/dixon/codes-policy/dividend-distribution-policy.pdf . There has been no change in the said policy during the year. The said policy forms part of Annual Report as **Annexure-I**.

Transfer to Reserves

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

Share Capital Structure

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

During the year under review, your Company has allotted 2,45,050 Equity shares of ₹ 10/- each pursuant to exercise of Employee Stock Options by eligible employees under Dixon Technologies (India) Limited - Employee Stock Option Plan, 2018. Consequently, the Paid up, Issued and Subscribed Share Capital of your Company increased from ₹ 11,32,50,910/- consisting of 1,13,25,091 Equity Shares of ₹ 10/- each to ₹ 11,57,01,410/- consisting of 1,15,70,141 Equity Shares of ₹ 10/- each.

Also, there has been no re-classification or sub-division of the Authorised Share Capital during the year under review.

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.

Details of Employees Stock Options

In order to motivate, incentivize and reward employees, your Company has established employee stock option scheme viz. Dixon Technologies (India) Limited-Employee Stock Option Plan, 2018 ("Dixon ESOP 2018" or "Plan") pursuant to approval of members at the 25th Annual General Meeting of the Company held on 25th July, 2018. The Plan has been laid down in accordance with the terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and there have been no changes to the Plan during the financial year.

Disclosures on details of options granted, shares allotted upon exercise, etc. as required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 are set out in **Annexure II** to this Report.

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

Credit Rating

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

Type	Date	Facility	Rating	Remarks
Bank Loan Facility	07th June, 2019	Fund based and non fund based	Long Term ICRA A+ and short Term A1+	Credit Limit for ₹ 740.50 Crores (enhanced from ₹ 444.50 Crores
	01st Oct, 2019	Fund based and non fund based	Long Term ICRA A+ and short Term A1+	Credit Limit for ₹ 1,030 Crores (enhanced from ₹ 740.50 Crores)
Commercial Paper	07th Oct, 2019	Commercial Paper	ICRA A1+	Enhanced from ₹ 25 Crores to ₹ 50 Crores
	24th Feb, 2020	Commercial Paper	ICRA A1+	

Investor Education and Protection Fund

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

Deposits

During the year under review, your Company has not accepted any deposits from the public under Section 73 and 76 of the Act and rules made thereunder and no amount of principal or interest was outstanding as at the end of Financial Year 2019-20. There were no unclaimed or unpaid deposits lying with your Company.

Change in the Nature of Business

Your Company did not commence any new business nor discontinued/sold or disposed of any of its existing businesses and also did not hive off any segment or division during the year. Also, there has been no change in the nature of business carried on by your Company's 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 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. Further, a statement containing salient features of the financial statements of the subsidiary and Joint Venture companies is disclosed separately and forms part of this Annual Report.

Subsidiaries, Joint Ventures or Associate Companies

1. **Dixon Global Private Limited**

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

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

   DGPL reported a profit of ₹ 202.99 Lakhs in F.Y. 2019-20 (previous year: ₹ 109.23 Lakhs).

2. **Padget Electronics Private Limited**

   Padget Electronics Private Limited ("PEPL") became a Wholly Owned Subsidiary of the Company w.e.f 12th April, 2019.

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

   PEPL reported a profit of ₹ 912.82 Lakhs in FY 2019-20 (previous year: ₹ 967.70 Lakhs).

3. **AIL Dixon Technologies Private Limited**

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

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

   ADTPL reported a Profit of ₹ 627.83 Lakhs in FY 2019-20 (previous year profit of ₹ 212.32 Lakhs).

4. **Dixon Electro Appliances Private Limited**

   Dixon Electro Appliances Private Limited ("**DEAPL**") is a 100% subsidiary of your Company and was incorporated on 15th January, 2020 and has reported a Loss of ₹ 0.10 Lakhs in FY 2019-20

   DEAPL is principally engaged in the business of manufacturing and dealing in, inter-alia, consumer durables and electronic appliances.

   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 and Joint venture companies are available on the website of your Company at www.dixoninfo.com .

   Apart from PEPL, which declared an Interim dividend @ ₹ 3/- per Equity Share of ₹ 10/- each to the shareholders on 17th March, 2020 of the Company existing as on the Record date i.e. 17th March, 2020, none of the above named Subsidiaries and Joint venture Companies declared any Dividend during the Financial Year 2019-20.

   Furthermore, pursuant to Regulation 24(A) of SEBI Listing Regulations, read with Guidance note on Annual Secretarial Compliance Report issued by Institute of Company Secretaries of India, the Secretarial Audit report (MR-3) of Material Subsidiaries i.e. Dixon Global Private Limited shall be filed with the Stock exchanges where shares of your Company are listed along with the Annual Report of your Company.

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 are given and investments are made for the Business purpose.

Related Party Transaction

In line with the requirements of the Act and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at https://dixoninfo.com/json/dixon/codes-policy/related-party-transaction-policy.pdf

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between your Company and Related Parties.

This Policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per SEBI Listing Regulations for the transactions which are foreseen and are repetitive in nature and / or entered in the ordinary course of business and / or at arm's length basis.

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

For details on Related party transactions, you may refer Notes to financial statements forming part of the Annual Report

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

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

Future Outlook

With an eye on expanding the company's core business, your Company's Board and Management stay committed to maximize strategic opportunities by exploring new trajectories of growth. However, certain factors impacted the growth of electronic manufacturing in India such as slowdown in the economy and moderate growth in the downstream industry. This along with outbreak of Covid-19 further impacted the performance of the Industry.

The Government of India has undertaken various reforms to boost the manufacturing sectors as well as promote 'Make in India' products. Your Company is perfectly poised to capitalise on the growing opportunities by leveraging its scale of production. Backward integration has also contributed to the success of the Company and it was achieved by developing in-house capacities of manufacturing key components across almost all the verticals. Moreover, your Company no longer wishes to be an EMS company only and is migrating more and more towards the development of its own designed solutions. The Company has also maintained a healthy relationship with existing customers as well as added more brands in the clientele enabling us to maintain our market share and sustain our future.

Corporate Governance

Your Company believes that executing strategy effectively and generating shareholder value over the long term requires high standards of corporate governance.

Throughout the year ended 31st March, 2020 your Company has complied with all the provisions applicable on a listed entity including SEBI Listing Regulations and to a large extent the recommended best practices as well.

To ensure good corporate governance, your Company shall ensure 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.

Your Company is committed to the principles of 'Accountability', 'Transparency', and 'Trusteeship' in its dealing with stakeholders. Accordingly, in its endeavour to take a balanced care of stakeholders, your Company adheres to good Corporate Governance practices in its business. 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.

Board of Directors, Its Committees and Meetings thereof

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

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

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

The Board plays a crucial role in overseeing how the Management serves the short and long-term interests of Members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

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

Relationship Committee, Executive Committee of the Board, Risk Management Committee and Share Allotment Committee.

Also, Mr. Keng Tsung Kuo, was appointed as an Additional Director of the Company in the capacity of Non-executive and Independent Director by the Board of Directors of the Company at their meeting held on 12th April, 2019 and his appointment was subsequently regularized by the shareholders of the Company at the 26th Annual General Meeting of the Company held on 31st July,2019.

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 7 (seven) times during the Financial Year 2019-20 i.e. 12th April, 2019, 20th April, 2019, 24th May, 2019, 13th August, 2019, 13th November, 2019 and 29th January, 2020 and 18th March, 2020.

Details of attendance of Directors at Board Meetings of your Company held during the year under review are as follows:

Name of the Director	Category	No. of meetings attended	Leave of absence
Mr. Sunil Vachani	Executive Chairman	5	2
Mr. Atul B. Lall	Managing Director	6	1
Dr. Manuji Zarabi	Independent Director	7	0
Ms. Poornima Shenoy	Independent Director	4	3
Mr. Manoj Maheshwari	Independent Director	6	1
Mr. Keng Tsung Kuo*	Independent Director	5	1

*Appointed as the Non-Executive and Independent Director of the Company w.e.f 12th April, 2019

The necessary quorum was present at all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Act.

A detailed update on the Board & its Committees, composition thereof, number of meetings held during Financial Year 2019-20 and attendance of the Directors at such meeting is provided in the "**Corporate Governance Report**".

Committees of the Board

Audit Committee

The Board had duly constituted Audit Committee in line with the provisions of the Act read with SEBI Listing Regulations.

As on 31st March, 2020, the Committee comprises of three members viz. Mr. Manoj Maheshwari (Chairperson), Ms. Poornima Shenoy, Dr. Manuji Zarabi. All the members of the Audit Committee are Independent Directors and are financially literate. Further, there was no change in the constitution of the Audit Committee of the Board during the year under review.

The Audit Committee met 5 (Five) times during the financial year 2019-20 on 24th May, 2019, 13th August, 2019, 13th November, 2019, 29th January, 2020 and 18th March, 2020. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

The terms of reference and other details with respect to Audit Committee are enumerated under the "Corporate Governance Report" which forms part of this Annual Report.

Nomination and Remuneration Committee

The Board had duly constituted Nomination and Remuneration Committee in line with the provisions of the Act read with SEBI Listing Regulations.

As on 31st March, 2020, the Committee comprises of One Executive Director viz. Mr. Sunil Vachani and Three Independent Directors viz. Ms. Poornima Shenoy (Chairperson), Dr. Manuji Zarabi and Mr. Manoj Maheshwari. There was no change in the constitution of the Nomination and Remuneration Committee of the Board during the year under review.

The Nomination and Remuneration Committee met 4 (four) times during the financial year 2019-20 on 12th April, 2019, 24th May, 2019, 13th August, 2019 and 13th November, 2019. During the year, all the recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

The terms of reference and other details with respect to Nomination and Remuneration Committee are enumerated under the "Corporate Governance Report" which forms part of this Annual Report.

Corporate Social Responsibility Committee

The Board had constituted the Corporate Social Responsibility ("CSR") Committee as per provisions of Section 135 of the Act. This Committee looks after the functions as enumerated under the provisions of the said Section of the Act.

As on 31st March, 2020, the Committee comprises of two Executive Directors , viz. Mr. Sunil Vachani (Chairperson) and

Mr. Atul B Lall and one Independent Director viz. Dr. Manuji Zarabi. During the year, all the recommendations made by the CSR Committee were accepted by the Board. There was no change in the constitution of the Corporate Social Responsibility Committee of the Board during the year under review.

The CSR Committee met 4 (four) times during the financial year 2019-20 on 24th May, 2019, 13th August, 2019, 13th November, 2019 and 29th January, 2020.

The terms of reference and other details with respect to CSR Committee are enumerated under the "Corporate Governance Report" which forms part of this Annual Report.

Stakeholders' Relationship Committee

The Board had duly constituted Stakeholders' Relationship Committee in line with the provisions of the Act read with SEBI Listing Regulations.

As on 31st March, 2020, the Committee comprises of two Executive Directors, viz. Mr. Sunil Vachani and Mr. Atul B Lall and one Independent Director viz. Dr. Manuji Zarabi (Chairperson). During the year under review, there has been no change in the constitution of the said Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee met 4 (four) times during the financial year 2019-20 viz. on 24th May, 2019, 13th August, 2019, 13th November, 2019 and 29th January, 2020.

The terms of reference and other details with respect to Stakeholders Relationship Committee are enumerated under the "Corporate Governance Report" which forms part of this Annual Report.

Risk Management Committee

The Provisions of Regulation 21 of SEBI Listing Regulations became applicable on your Company w.e.f. 1st April, 2019. The Board of Directors had constituted Risk Management Committee at its Meeting held on 24th May, 2019 to identify elements of Risk in different areas of operations and to develop plans to mitigate the risks.

The Risk Management Committee of your Company comprises of Mr. Atul B. Lall, Managing Director of the Company who is the Chairman of the said Committee, Mr. Manoj Maheshwari - Independent Director and Mr. Keng Tsung Kuo - Independent Director as members of the said Committee.

The role of Risk Management Committee includes the implementation of Risk Management Systems and framework, review of the Company's financial and risk management policies, assessment of risk and procedures to minimise the same.

During the year, the Risk Management Committee met 1 (one) time during the financial year 2019-20 viz. on 28th January, 2020.

The terms of reference and other details with respect to Risk Management Committee are enumerated under the "Corporate Governance Report" which forms part of this Annual Report.

Executive Committee

Your Board has constituted the Executive Committee which undertakes matters related to day to day affairs of your Company. As on 31st March, 2020, the Committee comprises of two Executive Directors, viz. Mr. Sunil Vachani and Mr. Atul B Lall as members of this Committee.

Share Allotment Committee

Your Board had constituted the Share Allotment Committee and the said Committee is authorized to recommend allotment of equity shares, in one or more tranches pursuant to exercise of the options in accordance with the DIXON ESOP 2018. The Share Allotment Committee comprises of two Executive Directors namely, Mr. Sunil Vachani, Executive Chairman and Mr. Atul B. Lall, Managing Director and two Non-Executive and Independent Directors namely, Mr. Manoj Maheshwari and Dr. Manuji Zarabi.

During the year, the Share Allotment Committee met 3 (three) times during the financial year 2019-20 viz. on 14th November, 2019, 19th November, 2019 and 9th December, 2019.

Management Discussion and Analysis Report

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

Vigil Mechanism

Your Company has adopted "**Whistle Blower Policy**" which provides a vigil mechanism for dealing with instances of fraud, mismanagement, unethical behavior, actual or suspected or 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 2019-20.

This Policy is overseen by the Audit Committee. Through the said Policy, Directors and employees can report concerns of unethical behavior, actual or suspected fraud or violation of your Company's 'Code of Conduct'. The said Policy provides adequate safeguards to the Whistle Blower against victimization. The Whistle Blower Policy has also been uploaded on the website of the Company at www.dixoninfo.com.

Also, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), as amended from time to time, the Board of Directors of your Company has adopted the revised Insider Trading Policy of the Company. All the Promoters, Directors, Employees of the Company and its material subsidiaries, who are Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, bankers, etc., who could have access to the unpublished price sensitive information of the Company are governed under the Insider Trading Policy of the Company. The revised Insider Trading Policy of your Company is available at https://dixoninfo.com/json/dixon/codes-policy/insider-trading-policy-final-version.pdf.

Risk Management

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

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

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

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

The Directors have the overall responsibility for internal control, including risk management and set appropriate policies having regard to the objectives of your Company. The Board, through the Audit Committee, reviewed the overall effectiveness of your Company's system of internal control over financial, operational and compliance issues, risk management process, information systems, security and effectiveness of financial reporting and compliance with the Rules and Regulations applicable on your Company.

Your Company has also laid down internal financial control system that aims at safeguarding assets from inappropriate use, maintaining proper accounts, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information and ensuring compliance with regulations. These controls are assessed on a regular basis by Internal Audit. The management is primarily responsible for the implementation and maintenance of the internal control systems. The systems are designed to provide reasonable, but not absolute, assurance against misstatement or loss and to manage risks of failure in the operation of your Company. In order to supplement the Internal Control process, your Company has engaged the services of M/s Singhi & Co., Chartered Accountants, to function as Internal Auditors.

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

Also, the Audit Committee of the Board, which is required to assess the adequacy and compliance of Internal Control process, 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.

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.

Annual Return

In accordance with Section 92 and 134 of the Act read with Rules prescribed thereunder, an extract of the annual return for the FY 2019-20 in Form MGT-9 is annexed herewith as **ANNEXURE-III**

Also, the Annual Return of your Company for the FY 2019-20 shall be placed on the website at www.dixoninfo.com.

The link to access Annual Return for previous Financial year 2018-19 is https://www.dixoninfo.com/agm.php

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

Directors

A. Appointment of Mr. Keng Tsung Kuo

During the year under review, and pursuant to revised Regulation 17 (1) (c) of SEBI Listing Regulations amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors of top 1000 listed entities determined on the basis of Market Capitalisation as at the end of the immediate previous financial year shall comprise of not less than six Directors. Therefore, in line with the said revised Regulation 17 (1) (c) of the SEBI Listing Regulations, your Company had appointed Mr. Keng Tsung Kuo as "Non- executive and Independent Director" of the Company w.e.f 12th April, 2019 for a period of 5 consecutive years.

Mr. Keng Tsung Kuo has vast experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership. The Board opines that Mr. Kuo has requisite integrity, expertise and experience with capability to critically analyse each of the Business segments and bring in more value to the organization as a whole.

B. Re-appointment of Mr. Manoj Maheshwari, Dr Manuji Zarabi and Ms. Poornima Shenoy as Independent Director for second term of 5 consecutive years

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for another term of upto five consecutive years by passing a special resolution at the General Meeting.

Your Company's Board had appointed Mr. Manoj Maheshwari as Non- Executive and Independent Director on the Board w.e.f 3rd May, 2017 and appointed Dr. Manuji Zarabi & Ms. Poornima Shenoy as Non- Executive and Independent Directors on the Board w.e.f 23rd February, 2017 for a period of three consecutive years. Accordingly, the term of Dr. Manuji Zarabi & Ms. Poornima Shenoy was due for expiry on 22nd February, 2020 and that of Mr. Manoj Maheshwari was due for expiry on 2nd May, 2020.

Considering the growth which your Company has witnessed under the guidance of these Non- Executive and Independent Directors and the valuable support which these directors have provided to your Company, it was prudent to re-appoint these directors for another consecutive term of five years. Therefore, it was proposed to re-appoint the said Directors for a second term so as to enable the aforesaid Independent Directors to effectively and efficiently participate as Independent Directors on or after the expiry of their respective term. The shareholders of the Company at the Annual General Meeting held on 31st July, 2019 approved the said re-appointment. Therefore, Mr. Manoj Maheshwari was re-appointed as the Non-Executive and Independent Director of the Company w.e.f 3rd May, 2020 and Ms. Poornima Shenoy and Dr. Manuji Zarabi were re-appointed as the Non-Executive and Independent Director of the Company w.e.f 23rd February, 2020, respectively, for a period of 5 consecutive years.

Key Managerial Personnel ("KMPs")

Pursuant to the provisions of Section 203 of the Act, as on 31st March, 2020 Mr. Sunil Vachani, Executive Chairman & Whole Time Director, Mr. Atul B Lall, Managing Director, Mr. Saurabh Gupta, Chief Financial Officer and Mr. Ashish Kumar, Group CS, Head- Legal & HR of the Company are the KMPs of your Company.

Directors Liable to Retire by Rotation

In accordance with the provisions of the Act, not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Act read with Articles of Association of your Company, Mr. Atul B. Lall (DIN: 00781436) is liable to retire by rotation and, being eligible, offers himself for re-appointment.

Declaration of Independent Directors of the Company

As on date of this report, the Board comprises of 6 (six) Directors. The composition includes 4 (four) Independent Directors. All the Independent Directors are appointed on the Board of your Company in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

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

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

Familiarization Programme for the Independent Directors

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

Board and Director's Evaluation

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

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

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

Separate Meeting of Independent Directors

Pursuant to Schedule IV to the Act and SEBI Listing Regulations one meeting of Independent Directors was held during the year i.e. on 18th March, 2020, without the attendance of non-independent Directors and members of Management.

In addition, your Company encourages regular meetings of its independent directors to update them on Strategies of the Company. At such meetings, the Head of the Departments of the Company make presentations with respect to the Business Vertical which they are heading. Such Meeting was conducted on 18th March, 2020.

Auditors & Auditors' Report

Statutory Auditors

M/s S. N. Dhawan & Co LLP (Firm registration number: 000050N/N500045) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th July, 2018, for a term of five consecutive years.

The Independent Auditors Report given by the Auditors on the financial statement (Standalone and Consolidated) of your Company forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held on 24th May, 2019 had appointed M/s Shirin Bhatt & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2019-20.

The Secretarial Audit Report is annexed herewith as **Annexure - IV**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Audit & Cost Auditors

In terms of the Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and get them audited every year from Cost Auditor and accordingly such accounts and records are made and maintained by your Company.

The Board of Directors appointed M/s A.N. Satija & Co., Cost Accountants, Delhi (Regn. No. 100267) as Cost Auditors to audit the cost accounts of your Company for the Financial Year 2019-20. The Cost Audit Report for the FY 2019-20 will be filed with the Ministry of Corporate Affairs.

Internal Auditors

M/s Singhi & Co., Chartered Accountants (FRN No- 302049E), were appointed as Internal Auditors of the Company at the Board Meeting held on 13th August, 2019.

During the period under review, M/s Singhi & Co., Chartered Accountants performed the duties of internal auditors of your Company and their report is reviewed by the Audit Committee.

Also, the Board on recommendation of Audit Committee at its meeting held on 11th June, 2020, has appointed M/s Ernst & Young LLP as Internal Auditors of the Company to conduct the Internal Audit for the FY 2020-2021.

Corporate Social Responsibility (CSR)

Your Company has been constantly working towards promoting equality, including and empowering the under-represented and underserved communities. Your Company invests in the areas of education, inclusion and livelihood through non-profits and social enterprises. Your Company's constant endeavour has been to support initiatives in the chosen focus areas of CSR, including certain unique initiatives. It has attempted to look into the solutions to disrupt the status quo and bring in fresh thinking to the existing problems of exclusion, deprivation and poverty.

Your Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of your Company. The composition of CSR committee is as stated elsewhere in this 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.pdf

The CSR policy, inter-alia, deals with the objectives of your Company's CSR initiatives, its guiding principles, thrust areas, responsibilities of the CSR Committee, implementation plan and reporting framework. The thrust areas of your Company's CSR activities and some of the key initiatives taken by your Company during the year under review are as under:

a. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water including contribution to the Swachh Bharat Kosh;

b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;

c. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

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

Business Responsibility Report

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

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

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-VII.**

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. 2019-2020 and notice of the 27th 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.28th August, 2020. For members, who have not registered their e-mail addresses, please update your e-mail ids with your respective Depository Participants.

Your Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of 27th Annual General Meeting beginning 26th September, 2020 from 9:00 a.m. to 28th September, 2020 till 5:00 p.m. This is pursuant to section 108 of the Act read with relevant rules thereunder. The instructions for e-voting are provided in the Notice of the Annual General Meeting. In furtherance of the aforesaid principle of "Green Initiative", your Company has decided to forego the practice of printing financial statements of its subsidiary as part of the Company's Annual Report with a view to help the environment by reducing paper consumption. However, the audited financial statements of the subsidiary(ies) alongwith Auditors' Report thereon are available on our website www.dixoninfo.com.

Human Resources

Your Company cares for its employees and aims to provide a supportive, pleasant and healthy workplace for its employees. To foster a caring community, the Company recognises that having good staff relations and a motivated workforce plays a vital role in the Company's efficient operations.

The Company strives to build on its capabilities to attract talent for various positions, across geographies. It is also taking steps to retain talent and build an open, transparent and meritocratic culture to nurture its assets.

Dixon recognizes people as its most valuable asset. The Human Resource of your company is commensurate with its size, nature and operations. It has 1,185 permanent employees and 9,073 contractual employees / staff, as on 31st March, 2020. In the last fiscal, the Human Resource department undertook several new initiatives for employee engagement and organized programmes like, Yoga Sessions, eye check-up and health check-ups for the employees. During the year, the HR Department introduced "Dixon-Connect"- a quarterly journal which was a significant step towards dissemination of vital information and messages pertaining to Dixon Group.

Also, in order to streamline the administration related issues and to boost productivity at work place, your company also introduced a Help Desk across all the plants and manufacturing facilities of Dixon. Dixon also conducts training under National Apprenticeship Promotion Scheme (NAPS) on an ongoing basis for all its apprentices.

Your Company also has an effective grievance redressal mechanism that allows employees to raise issues and concerns. To report issues related to child labour, forced labour etc. the Whistle Blower Policy is extremely efficient. A vigil mechanism for Directors and employees have been established to report their genuine concerns, details of which have been given elsewhere in this Report. During the year under review, no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment were recorded. Dixon's Industrial Relations also continued to be harmonious in the last fiscal FY 2019-20.

Particulars of Employees and Remuneration

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

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

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

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

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

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

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

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

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

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

The percentage increase in the median remuneration of the employees in the Financial Year 2019-20 was 12%. Also, the average percentile increase in the salaries of employees other than the managerial personnel is 11.84% as compared to 15.27% increase in the Managerial remuneration. The increment to each individual employee is based on the Employee's potential, experience and also their performance and contribution to the Company's progress over a period of time. The remuneration is as per the Remuneration Policy of the Company.

Also, during the year under review, Mr. Sunil Vachani and Mr. Atul B. Lall have received consultancy fees amounting to ₹ 2,00,000 and ₹ 1,00,000 per month respectively from Padget Electronics Private Limited for providing their expertise in the field of EMS to Padget Electronics Private Limited.

Director's Appointment and Remuneration Policy

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

Your Company has adopted a comprehensive policy on nomination and remuneration of Directors and Key Managerial Personnel on the Board. As per such policy, candidates proposed to be appointed as Directors and Key Managerial

Personnel on the Board shall be first reviewed by the Nomination and Remuneration Committee in its duly convened Meeting. The policy can be accessed at the following Link: https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy.pdf

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

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

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

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

The Company has not received any compliant of sexual harassment at workplace during the year under review. There are no pending complaints as at the end of the Financial Year.

Reporting of Fraud By auditors

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

Disclosure in Respect of Voting Rights not Exercised Directly By Employees

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

Changes in Memorandum of Association

There were no changes made in the Memorandum and Articles of Association during the period under review.

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

Pursuant to Regulation 32 of SEBI Listing Regulations, your Directors confirm that there has been no deviation(s) / variation(s) in the use of proceeds from the Objects stated in the Prospectus dated 11th September, 2017 for the FY 2019-20. The Statement of utilization of Initial Public Offer proceeds forms parts of the Financial Statements for the year ended 31st March, 2020.

As on 31st March, 2020, your Company has utilised ₹ 5788.37 Lakhs out of total IPO proceeds amounting to ₹ 6000 Lakhs ("total IPO proceeds"), which constitutes approximately 96.47% of total IPO proceeds. However, there was an unutilised amount of ₹ 211.63 Lakhs, constituting 3.53% of total IPO proceeds. Therefore, in terms of provision of the Act read with SEBI Listing Regulations and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; your Company has sought approval of the shareholders at the ensuing 27th Annual General Meeting of your Company for deployment of said unutilised amount as per details specified in the Notice of ensuing 27th Annual General Meeting of your Company.

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 , 2020, 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, 2020, 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, 2020 forms part of the Management Discussion and Analysis Report.

Acknowledgment

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

By the order of the Board

For Dixon Technologies (India) Limited

Sd/-	Sd/-
Sunil Vachani	**Atul B. Lall**
(Executive Chairman)	(Managing Director)
DIN:00025431	DIN:00781436

Place: Noida

Date: 11th June, 2020

ANNEXURE-I

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy

1. Introduction, Purpose and Scope:

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

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

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

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

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

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

2. Parameters for the policy:

2.1 Operating Performance:

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

2.2 Operating cash flow of the Company:

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

2.3 Inadequacy of profits:

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

2.4 Statutory/ Regulatory requirements and tax considerations:

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

Dividend distribution tax as per applicable tax regulations in India.

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

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

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

2.6 Prudential requirements:

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

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

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

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

2.7 Stakeholder's expectations:

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

3. Other significant parameters:

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

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

Significant expansion project requiring higher allocation of capital.

Any acquisitions or joint ventures requiring significant allocation of capital.

Utilisation of surplus cash for buy-back of securities.

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

Profits earned during the year.

The need for ploughing back the profits into business.

Need for conservation of cash due to economic downturn and

Additional investments in subsidiaries/associates/Joint Ventures.

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

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

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

External Factors:

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

Internal Factors:

Restructuring events including mergers and acquisitions.

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

Expansion of existing business.

Legal and regulatory requirements.

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

i. Policy on utilisation of retained earnings:

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

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

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

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

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

4. Rate/ Quantum of Dividend:

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

5. The Policy shall not apply to:

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

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

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

6. Amendments to the Policy:

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

ANNEXURE-II

EMPLOYEE STOCK OPTION SCHEMES

Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company and to create long-term wealth in the hands of employees, thereby acting as a retention tool.

In view of the above, your Company in the year 2018 has laid down its stock options plan with the name Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ("Dixon ESOP 2018" or "Plan") for the employees of the Company and its Subsidiarie(s) in accordance with members approval accorded at the 25th Annual General Meeting of the Company. Pursuant to the Plan, stock options have been granted to the employees of the Company and its subsidiaries under Dixon ESOP 2018.

Further, the Plan has been laid down in accordance with the terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and a certificate to this effect from Statutory Auditors of the Company, M/s S. N. Dhawan & Co., will be placed at the ensuing Annual General Meeting. The Company has not amended the Plan during the financial year 2019-2020.

Upon exercise of the options so granted, the Share Allotment Committee of the Company has allotted total number of 2,45,050 equity shares of the Company at its meeting held on 14th November, 2019, 19th November, 2019 and 09th December, 2019 and simultaneously the paid-up equity share capital of the Company has increased. The details of stock options granted by the Company are set out in Annexure-II to this Report in compliance with the Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014.

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

A. Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Relevant details has been provided in Note no. 43 of the Notes to Accounts forming part of the Annual Report 2019-20 of the Company. The said disclosure have also been placed on the website of your Company and may be accessed at https://dixoninfo.com/agm.php

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations is disclosed in the following Section C in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

C. General Terms and Conditions

Sl. No	Particulars	Dixon ESOP 2018
1	General Terms and Conditions	
A	Date of shareholders' approval	25th July, 2018
B	Total number of options approved under ESOS	5,00,000
C	Vesting requirements	The options granted shall vest based upon the performance of the Employee, as may be determined by the Compensation Committee from time to time but shall not be less than 1 (one) and not more than 4 (four) years from the date of grant of options. Vesting may happen in one or more tranches.

Sl. No	Particulars	Dixon ESOP 2018	
D	Exercise price or pricing formula	The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the date of meeting of committee on which grant is to be made. If the Company is listed on more than one Stock Exchange, then the price of the Stock Exchange where there is highest trading volume during the aforesaid period shall be considered. The Compensation Committee has a power to provide suitable discount or charge premium on such price as arrived above. However, in any case the Exercise Price shall not go below the par face value of Equity Share of the Company.	
E	Maximum term of options granted	The options granted under Scheme will vest over a period of Three years from the date of grant of options. Further the Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	
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 ESOS	Fair Value Method	
3	Employee wise details of options granted during the year to:	During the year no further stock options have been granted to the senior managerial personnel, including KMPs under the Dixon ESOP 2018. Stock options granted to the said employees in the year 2018 forms part of the Annual Report of the Company for the year 2018-19.	
	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	
	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	
3	Weighted-average exercise price	**Grant 2018**	**Grant 2019**
		when the exercise price is equal/exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**
		when the exercise price is less than market price: ₹ 1,864.80/-	when the exercise price is less than market price: ₹ 2,092.58/-
4	Weighted-average fair values of options	**Grant 2018**	**Grant 2019**
		when the exercise price is equal/exceeds to market price: **Not Applicable**	when the exercise price is equal/exceeds to market price: **Not Applicable**
		when the exercise price is less than market price: ₹ 768.65/-	when the exercise price is less than market price: ₹ 1,280.60/-

<table>
<tr><th>Sl. No</th><th>Particulars</th><th colspan="2">Dixon ESOP 2018</th></tr>
<tr><td>5</td><td>Description of the method and significant assumptions used during the year to estimate the fair value of options</td><td colspan="2">Fair Value Method (Black Scholes Model).

Some of the basic assumptions used in the Black-Scholes model are –

Markets are efficient: This assumption suggests that people cannot consistently predict the direction of the market or an individual stock. The Black-Scholes model assumes stocks move in a manner referred to as a random walk. Random walk means that at any given moment in time, the price of the underlying stock can go up or down with the same probability. The price of a stock in time t+1 is independent from the price in time

Interest rates remain constant and known: The Black -Scholes model uses the risk-free rate to represent this constant and known rate.

Returns are normally distributed: This assumption suggests returns on the underlying stock are normally distributed.

Constant volatility- The most significant assumption is that volatility, a measure of how much a stock can be expected to move in the near-term, is a constant over time. While volatility can be relatively constant in very short term, it is never constant in longer term. Some advanced option valuation models substitute Black-Scholes constant volatility with stochastic-process generated estimates.

Liquidity- the Black-Scholes model assumes that markets are perfectly liquid and it is possible to purchase or sell any amount of stock or options or their fractions at any given time.</td></tr>
<tr><td rowspan="2">a</td><td rowspan="2">Weighted-average values of share price</td><td>Grant 2018</td><td>Grant 2019</td></tr>
<tr><td>The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 2,072/- per share.</td><td>The fair value is computed using the existing share price of the company, for which we have taken the closing market price of the previous trading day of the grant date at NSE i.e ₹ 2,989.40/- per share.</td></tr>
<tr><td rowspan="2">b</td><td rowspan="2">Exercise Price</td><td>Grant 2018</td><td>Grant 2019</td></tr>
<tr><td>₹ 1,864.80/-</td><td>₹ 2,092.58/-</td></tr>
<tr><td rowspan="2">c</td><td rowspan="2">Expected Volatility</td><td>Grant 2018</td><td>Grant 2019</td></tr>
<tr><td>36.37%</td><td>36.05%</td></tr>
<tr><td rowspan="2">d</td><td rowspan="2">Expected Option Life</td><td>Grant 2018</td><td>Grant 2019</td></tr>
<tr><td>The Options granted will vest over a maximum period of 3 years from the date of grant.</td><td>The Options granted will vest over a maximum period of 2 years from the date of grant.</td></tr>
<tr><td rowspan="2">e</td><td rowspan="2">Expected Dividends</td><td>Grant 2018</td><td>Grant 2019</td></tr>
<tr><td>The Dividend Yield is 0.06%.</td><td>The Dividend Yield is 0.07%.</td></tr>
<tr><td rowspan="2">f</td><td rowspan="2">The risk-free interest rate</td><td>Grant 2018</td><td>Grant 2019</td></tr>
<tr><td>The Risk free rate for first, second and third vesting is 7.65%, 7.65% and 7.68% respectively.</td><td>The Risk free rate for first and second vesting is 6.08% respectively.</td></tr>
<tr><td>g</td><td>The method used and the assumptions made to incorporate the effects of expected early exercise</td><td colspan="2">Not Applicable, as options granted cannot be exercised before the vesting of option.</td></tr>
</table>

Sl. No	Particulars	Dixon ESOP 2018
h	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.
i	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.
	Diluted EPS on issue of shares pursuant to Dixon ESOP 2018	₹ 94.26 Per share (standalone basis) ₹ 102.70 Per share (consolidated basis)

OPTION MOVEMENT DURING THE YEAR UNDER DIXON ESOP 2018

Particulars	Details
Number of options outstanding at the beginning of the period	4,97,600
Number of options granted during the year	4,900
Number of options forfeited / lapsed during the year	2,500
Number of options vested during the year	2,47,550
Number of options exercised during the year	2,45,050
Number of shares arising as a result of exercise of options	2,45,050
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 45,69,69,240
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	2,54,950
Number of options exercisable at the end of the year	2,500

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

Place: Noida
Date: 11th June, 2020

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

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

ANNEXURE-III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration & Other Details:

I	CIN	L32101UP1993PLC066581
II	Registration Date	15th January, 1993
III	Name of the Company	Dixon Technologies (India) Limited
IV	Category/Sub-category of the Company	Company Limited by shares
V	Address of the Registered office and contact details	B-14 & 15 Phase-II Gautam Buddha Nagar Noida -201305 Tel : 0120-4737200 Fax : 0120-4737273 email : investorrelations@dixoninfo.com Website : www.dixoninfo.com
VI	Whether listed Company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	**M/s KFin Technologies Pvt. Ltd** Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Hyderabad – 500 032 Ph: +91 40 6716 1602 | M: +91 9870495653 www.KFintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	LED TV	264	53.5
2	LED Bulb	274	24.4
3	Washing Machine	275	10.8
4	Others	-	11.3

III. Particulars of Holding, Subsidiary & Associate Companies

Sl. No	Name & Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1.	Dixon Global Private Limited C-33 Phase-II, Gautam Budh Nagar, Noida-201305 Uttar Pradesh	U51900UP2010PTC042400	Subsidiary	100%	2(87)(ii)
2.	Padget Electronics Private Limited * C-33 Phase-II, Gautam Budh Nagar, Noida-201305 Uttar Pradesh	U31908UP2013PTC057573	Subsidiary	100%	2(87)(ii)
3.	AIL Dixon Technologies Private Limited B-14 & 15 Phase-II Noida Gautam Buddha Nagar Noida -201305	U32309UP2017PTC090189	Joint Venture	50%	2(6)
4	Dixon Electro Appliances Private Limited* B-14 & 15 Phase-II Noida Gautam Buddha Nagar Noida -201305	U29309UP2020PTC125763	Subsidiary	100%	2(87)(ii)

* Dixon Electro Appliances Private Limited was incorporated on 15th January, 2020 as a Wholly Owned Subsidiary

* Padget Electronics Pvt. Ltd. became the Wholly Owned Subsidiary of the Company on 12th April,2019.

IV. Shareholding Pattern (Equity Share capital Break up as Percentage of total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2019]				No. of Shares held at the end of the year [As on 31st March, 2020]				% Change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares#	
A. Promoters									
(1) Indian									
a) Individual/ HUF	41,96,208	0	41,96,208	37.05	40,11,208	0	40,11,208	34.67	-2.38
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other									
Sub Total =A(1)	**41,96,208**	**0**	**41,96,208**	**37.05**	**40,11,208**	**0**	**40,11,208**	**34.67**	**-2.38**
(2) Foreign									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
Sub Total=A(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL (A)= A(1) + A(2)	**41,96,208**	**0**	**41,96,208**	**37.05**	**40,11,208**	**0**	**40,11,208**	**34.67**	**-2.38**
B. Public Shareholding/ Other than Promoters									
(1) Institutions									
a) Mutual Funds	26,86,462	0	26,86,462	23.72	26,40,903	0	26,40,903	22.83	-0.90
b) Banks / FI	4,609	0	4,609	0.04	14,782	0	14,782	0.13	0.09

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2019]				No. of Shares held at the end of the year [As on 31st March, 2020]				% Change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares#	
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	674	0	674	0.01	0.01
h) Others (specify)	11,31,809	0	11,31,809	9.99	12,43,946	0	12,43,946	10.75	0.76
Foreign Portfolio Corporation	0	0	0	0	0	0	0	0	0
Alternate Investment Funds	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
Sub-total=B(1):-	**38,22,880**	**0**	**38,22,880**	**33.76**	**39,00,305**	**0**	**39,00,305**	**33.71**	**-0.05**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,80,423	0	3,80,423	3.36	1,95,602	0	1,95,602	1.69	-1.67
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6,11,181	24	6,11,205	5.40	5,80,814	24	5,80,838	5.02	-0.38
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,91,644	0	3,91,644	3.46	3,70,189	0	3,70,189	3.20	-0.26
c) Others									
HUF	21,927	0	21,927	0.19	16,914	0	16,914	0.15	-0.05
Clearing Members	4,559	0	4,559	0.04	29,937	0	29,937	0.26	0.22
Directors and their Relatives	4,66,667	0	4,66,667	4.12	4,66,667	0	4,66,667	4.03	-0.09
Foreign Bodies	0	0	0	0	4,48,235	0	448,235	3.87	3.87
Foreign Bodies Corporate	10,92,79	0	1,09,279	0.96	0	0	0	0	-0.96
Foreign Nationals	0	0	0	0	0	0	0	0	0
Non Resident Indians	34,534	0	34,534	0.30	31,016	0	31,016	0.27	-0.04
NRI NONREPATRIA TION	10,73,275	0	10,73,275	9.48	10,01,526	0	10,01,526	8.66	-0.82
Qualified Institutional Buyer	0	0	0	0	3,43,724	0	3,43,724	2.97	2.97
TRUSTS	55	0	55	0	245	0	245	0	0
Promoters Group	2,12,435	0	2,12,435	1.88	1,73,735	0	1,73,735	1.50	-0.37
Sub-total=B(2)	**3305979**	**24**	**3306003**	**29.2**	**3658604**	**24**	**3658628**	**31.62**	**2.43**
Total Public =(B) [B(1) +B(2)]	**7128859**	**24**	**7128883**	**62.95**	**7558909**	**24**	**7558933**	**65.33**	**2.38**
C.	--	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,13,25,067**	**24**	**1,13,25,091**	**100**	**1,15,70,117**	**24**	**1,15,70,141**	**100**	

(ii) Share Holding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year#
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company#	% of Shares Pledged / encumbered to total shares	
1	Sunil Vachani	41,96,208	37.05		40,11,208	34.67	-	-2.38
	Total	**41,96,208**	**37.05**		**40,11,208**	**34.67**	**-**	**-2.38**

(iii) Change in Promoters' Shareholding (please specify if there is no change)

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year specifying reasons for increase/decrease			Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of shares	% of total shares	Date	No of Shares	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1	SUNIL VACHANI	41,96,208	37.05	28/02/2020	-1,85,000	Sale	40,11,208	34.67	40,11,208	34.67

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	**SBI MAGNUM GLOBAL FUND**				
	At the beginning of the year	11,01,369	9.73	11,01,369	9.73
	Shares sold on 05/04/2019	-1,847		10,99,522	9.71
	Shares sold on 19/04/2019	-11,569		10,87,953	9.61
	Shares sold on 26/04/2019	-4,431		10,83,522	9.57
	Shares sold on 26/07/2019	-2,69,276		8,14,246	7.19
	Shares acquired on 02/08/2019	2,70,000		10,84,246	9.57
	Shares Sold on 16/08/2019	-900		10,83,346	9.57
	Shares acquired on 30/08/2019	1,000		10,84,346	9.57
	Shares sold on 13/09/2019	-346		10,84,000	9.57
	Shares sold on 20/09/2019	-17,654		10,66,346	9.42
	Shares sold on 18/10/2019	-581		10,65,765	9.41
	Shares sold on 25/10/2019	-795		10,64,970	9.40
	Shares sold on 01/11/2019	-13,624		10,51,346	9.28
	Shares sold on 22/11/2019	-10,000		10,41,346	9.00
	Shares sold on 13/12/2019	-6,096		10,35,250	8.95
	Shares acquired on 20/12/2019	3,000		10,38,250	8.97
	Shares sold on 31/12/2019	-5,000		10,33,250	8.93

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	Shares sold on 10/01/2020	-10,000		10,23,250	8.84
	Shares sold on 24/01/2020	-5,000		10,18,250	8.80
	Shares sold on 07/02/2020	-56,150		9,62,100	8.32
	Shares sold on 14/02/2020	-4,734		9,57,366	8.27
	Shares sold on 21/02/2020	-1,672		9,55,694	8.26
	At the end of the year	**9,55,694**		**9,55,694**	**8.26**
2	**KAMLA VACHANI**				
	At the beginning of the year	10,64,181	9.40	10,64,181	9.40
	Shares sold on 26/04/2019	-37		10,64,144	9.40
	Shares sold on 27/12/2019	-75,000		9,89,144	8.55
	Shares sold on 07/02/2020	-800		9,88,344	8.54
	Shares sold on 14/02/2020	-200		9,88,144	8.54
	Shares sold on 21/02/2020	-100		9,88,044	8.54
	At the end of the year	**9,88,044**		**9,88,044**	**8.54**
3	**'RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA**				
	At the beginning of the Year	8,41,488	7.43	8,41,488	7.43
	Shares sold on 19/04/2019	-8,300		8,33,188	7.36
	Shares acquired on 19/07/2019	894		8,34,082	7.36
	Shares acquired on 26/07/2019	24,575		8,58,657	7.58
	Shares acquired on 02/08/2019	24,531		8,83,188	7.80
	Shares sold on 15/11/2019	-25,000		8,58,188	7.44
	Shares acquired on 22/11/2019	48,873		9,07,061	7.84
	Shares sold on 22/11/2019	-40,767		8,66,294	7.49
	Shares sold on 13/12 2019	-1,000		8,65,294	7.48
	Shares sold on 20/12/2019	-57,645		8,07,649	6.98
	Shares sold on 31/12 2019	-10,000		7,97,649	6.89
	Shares sold on 03/01/2020	-3,000		7,94,649	6.87
	Shares sold on 10/01/2020	-46,714		7,47,935	6.46
	Shares sold on 17/01/2020	-19,771		7,28,164	6.29
	Shares sold on 31/01/2020	-15,000		7,13,164	6.16
	Shares acquired on 21/02/2020	7,668		7,20,832	6.23
	Shares acquired on 28/02/2020	57,000		7,77,832	6.72
	Shares acquired on 06/03/2020	3,000		7,80,832	6.75
	Shares sold on 13/03/2020	-17,137		7,63,695	6.60
	Shares acquired on 20/03/2020	4,507		7,68,202	6.64
	Shares acquired on 27/03/2020	3,000		7,71,202	6.67
	At the end of the Year	**7,71,202**	**6.67**	**7,71,202**	**6.67**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
4	STEADVIEW CAPITAL MAURITIUS LIMITED				
	At the beginning of the year	4,48,235	3.96	4,48,235	3.96
	At the end of the year	**4,48,235**	**3.87**	**4,48,235**	**3.87**
5	GOLDMAN SACHS INDIA LIMITED				
	At the beginning of the year	2,78,519	2.46	2,78,519	2.46
	Shares sold on 13/12/2019	-10,627		2,67,892	2.32
	Shares sold on 28/02/2020	-5,834		2,62,058	2.26
	Shares sold on 06/03/2020	-7,190		2,54,868	2.20
	Shares sold on 13/03/2020	-7,013		2,47,855	2.14
	Shares sold on 20/03/2020	-8,047		2,39,808	2.07
	At the end of the year	**2,39,808**	**2.07**	**2,39,808**	**2.07**
6	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	2,43,851	2.15	2,43,851	2.15
	Shares sold on 05/04/2019	-1,901		2,41,950	2.14
	Shares sold on12/04/2019	-292		2,41,658	2.13
	Shares sold on 19/04/2019	-6,032		2,35,626	2.08
	Shares sold on 26/04/2019	-4,857		2,30,769	2.04
	Shares sold on 03/05/2019	-13		2,30,756	2.04
	Shares sold on 10/05/2019	-223		2,30,533	2.04
	Shares acquired on 24/05/2019	60		2,30,593	2.04
	Shares sold on 31/05/2019	-16,695		2,13,898	1.89
	Shares acquired on 21/06/2019	2,711		2,16,609	1.91
	Shares sold on 28/06/2019	-4,433		2,12,176	1.87
	Shares sold on 05/07/2019	-333		2,11,843	1.87
	Shares sold on 26/07/2019	-25,431		1,86,412	1.65
	Shares sold on 02/08/2019	-18,862		1,67,550	1.48
	Shares sold on 09/08/2019	-579		1,66,971	1.47
	Shares sold on 16/08/2019	-11,500		1,55,471	1.37
	Shares acquired on 23/08/2019	33,706		1,89,177	1.67
	Shares acquired on 30/08/2019	49,031		2,38,208	2.10
	Shares acquired on 06/09/2019	6,448		2,44,656	2.16
	Shares acquired on 13/09/2019	2,350		2,47,006	2.18
	Shares acquired on 20/09/2019	14,273		2,61,279	2.31
	Shares acquired on 27/09/2019	10,431		2,71,710	2.40
	Shares acquired on 04/10/2019	23,062		2,94,772	2.60
	Shares sold on 11/10/2019	-1,012		2,93,760	2.59
	Shares sold on 18/10/2019	-1,625		2,92,135	2.58

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	Shares sold on 25/10/2019	-212		2,91,923	2.58
	Shares sold on 01/11/2019	-59		2,91,864	2.58
	Shares acquired on 08/11/2019	3,946		2,95,810	2.61
	Shares acquired on 15/11 /2019	15,717		3,11,527	2.70
	Shares sold on 22/11/2019	-5,300		3,06,227	2.65
	Shares sold on 29/11/2019	-1,183		3,05,044	2.64
	Shares sold on 06/12/2019	-20,927		2,84,117	2.46
	Shares sold on 13/12/2019	-117		2,84,000	2.45
	Shares sold on 20/12/2019	-9,373		2,74,627	2.37
	Shares sold on 27/12/2019	-6,880		2,67,747	2.31
	Shares sold on 31/12 /2019	-4,570		2,63,177	2.27
	Shares sold on 10/01/2020	-28,890		2,34,287	2.02
	Shares sold on 17/01/2020	-1,582		2,32,705	2.01
	Shares sold on 24/01/2020	-21,369		2,11,336	1.83
	Shares sold on 31/01/2020	-20,291		1,91,045	1.65
	Shares sold on 07/02/2020	-17,418		1,73,627	1.50
	Shares sold on 28/02/2020	-1,739		1,71,888	1.49
	Shares acquired on 13/03/2020	8,425		1,80,313	1.56
	Shares sold on 20/03/2020	-5,206		1,75,107	1.51
	Shares sold on 27/03/2020	-1,153		1,73,954	1.50
	At the end of the year	**1,73,954**	**1.50**	**1,73,954**	**1.50**
7	**KOTAK EQUITY HYBRID**				
	At the beginning of the year	1,78,486	1.58	1,78,486	1.58
	Shares sold on 26/04/2019	-232		1,78,254	1.57
	Shares sold on 05/07/2019	-1,402		1,76,852	1.56
	Shares acquired on 02/08/2019	2,500		1,79,352	1.58
	Shares acquired on 16/08/2019	571		1,79,923	1.59
	Shares acquired on 23/08/2019	1,909		1,81,832	1.61
	Shares sold on 30/08/2019	-11,000		1,70,832	1.51
	Shares sold on 04/10/2019	-15,093		1,55,739	1.38
	Shares sold on 11/10/2019	-5,740		1,49,999	1.32
	Shares sold on 15/11/2019	-7,000		1,42,999	1.24
	Shares acquired on 29/11/2019	1,921		1,44,920	1.25
	Shares sold on 06/12/2019	-2,912		1,42,008	1.23
	Shares sold on 20/12/2019	-2,894		1,39,114	1.20
	Shares sold on 27/12/2019	-12,761		1,26,353	1.09
	Shares sold on 31/12/2019	-3,000		1,23,353	1.07

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	Shares sold on 10/01/2020	-5,000		1,18,353	1.02
	Shares sold on 24/01/2020	-5,000		1,13,353	0.98
	Shares sold on 31/01/2020	-5,000		1,08,353	0.94
	Shares acquired on 06/03/2020	15,802		1,24,155	1.07
	Shares sold on 13/03/2020	-3,661		1,20,494	1.04
	Shares sold on 20/03/2020	-1,184		1,19,310	1.03
	Shares acquired on 27/03/2020	2,800		1,22,110	1.06
	At the end of the Year	**1,22,110**	**1.06**	**1,22,110**	**1.06**
8	SUNITA MANKANI				
	At the beginning of the year	1,70,259	1.50	1,70,259	1.50
	At the end of the year	**1,70,259**	**1.47**	**1,70,259**	**1.47**
9	SHOBHA SIPPY				
	At the beginning of the year	1,70,259	1.50	1,70,259	1.50
	Shares sold on 07/02/2020	-15,000		1,55,259	1.34
	Shares sold on 14/02/2020	-2,000		1,53,259	1.32
	At the end of the year	**1,53,259**	**1.32**	**1,53,259**	**1.32**
10	TAIYO GREATER INDIA FUND LTD				
	At the beginning of the year	1,65,000	1.46	1,65,000	1.46
	Shares acquired on 17/05/2019	19,400		1,84,400	1.63
	Shares acquired on 31/05/2019	19,954		2,04,354	1.80
	Shares acquired on 07/06/2019	27,046		2,31,400	2.04
	Shares acquired on 14/06/2019	25,900		2,57,300	2.27
	Shares acquired on 28/06/2019	27,402		2,84,702	2.51
	Shares acquired on 05/07/2019	1,398		2,86,100	2.53
	Shares sold on 27/09/2019	-6,000		2,80,100	2.47
	Shares sold on 15/11/2019	-22,200		2,57,900	2.24
	Shares sold on 17/01/2020	-35,548		2,22,352	1.92
	Shares sold on 24/01/2020	-11,452		2,10,900	1.82
	Shares sold on 21/02/2020	-30,400		1,80,500	1.56
	Shares sold on 28/02/2020	-12,456		1,68,044	1.45
	Shares sold on 06/03/2020	-22,244		1,45,800	1.26
	Shares sold on 13/03/2020	-28,728		1,17,072	1.01
	Shares sold on 20/03/2020	-14,400		1,02,672	0.89
	Shares acquired on 27/03/2020	457		1,03,129	0.89
	Shares acquired on 31/03/2020	22,000		1,25,129	1.08
	At the end of the year	**1,25,129**	**1.08**	**1,25,129**	**1.08**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
11	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC-				
	At the beginning of the year	25,404	0.22	25,404	0.22
	Shares sold on 14/06/2019	-1,608		24,336	0.21
	Shares sold on 21/06/2019	-7,000		17,336	0.15
	Shares acquired on 29/11/2019	9,954		27,290	0.24
	Shares acquired on 06/12/2019	396		27,686	0.24
	Shares acquired on 20/12/2019	2,687		30,373	0.26
	Shares acquired on 27/12/2019	2,897		33,270	0.29
	Shares acquired on 10/01/2020	2,856		36,126	0.31
	Shares acquired on 17/01/2020	18,558		54,684	0.47
	Shares acquired on 24/01/2020	18,119		72,803	0.63
	Shares acquired on 31/01/2020	11,122		83,925	0.73
	Shares acquired on 07/02/2020	63,684		1,47,609	1.28
	At the end of the year	**1,47,609**	**1.28**	**1,47,609**	**1.28**
12	ICICI PRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS				
	At the beginning of the year	1,47,576	1.30	1,47,576	1.30
	Shares acquired on 05/04/2019	2,073		1,49,649	1.32
	Shares sold on 12/04/2019	-1275		1,48,374	1.31
	Shares sold on 30/08/2019	-756		1,47,618	1.30
	Shares sold on 13/09/2019	-307		1,47,311	1.30
	Shares acquired on 27/12/2019	37		1,47,348	1.27
	Shares acquired on 10/01/2020	2		1,47,350	1.27
	Shares acquired on 31/01/2020	2		1,47,352	1.27
	Shares acquired on 07/02/2020	2		1,47,354	1.27
	Shares acquired on 14/02/2020	1		1,47,355	1.27
	Shares acquired on 06/03/2020	5,505		1,52,860	1.32
	Shares acquired on 13/03/2020	600		1,53,460	1.33
	Shares acquired on 20/03/2020	11,513		1,64,973	1.43
	Shares acquired on 27/03/2020	10,705		1,75,678	1.52
	Shares acquired on 31/03/2020	2		1,75,680	1.52
	At the end of the year	**1,75,680**	**1.52**	**1,75,680**	**1.52**
13	ITPL - INVESCO INDIA DYNAMIC EQUITY FUND				
	At the beginning of the year	1,21,615	1.07	1,21,615	1.07
	Shares sold on 07/06/2019	-27,530		94,058	0.83
	Shares sold on 14/06/2019	-26,181		67,904	0.60
	Shares sold on 28/06/2019	-26,122		41,782	0.37

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	Shares sold on 09/08/2019	-31,958		9,824	0.09
	Shares sold on 16/08/2019	-9,824		0	0
	Shares acquired on 13/12/2019	2,247		2,247	0.02
	Shares acquired on 20/12/2019	11,684		13,931	0.12
	Shares acquired on 17/01/2020	2,322		16,253	0.14
	Shares acquired on 24/01/2020	3,615		19,868	0.17
	Shares acquired on 07/02/2020	6,757		26,625	0.23
	Shares acquired on 28/02/2020	22,847		49,472	0.43
	Shares acquired on 06/03/2020	9,381		58,853	0.51
	Shares acquired on 13/03/2020	7,666		66,519	0.57
	Shares acquired on 20/03/2020	11,584		78,103	0.68
	Shares acquired on 27/03/2020	8,884		86,987	0.75
	Shares acquired on 31/03/2020	511		87,498	0.76
	At the end of the year	**87,498**	**0.76**	**87,498**	**0.76**
14	SCHRODER INTERNATIONAL SELECTION FUND INDIAN EQUIT				
	At the beginning of the year	0	0	0	0
	Shares acquired on 22/11/2019	86,214		86,214	0.75
	Shares acquired on 29/11/2019	16,882		1,03,096	0.89
	Shares acquired on 06/12/2019	2,786		1,05,882	0.92
	Shares acquired on 13/12/2019	7,934		1,13,816	0.98
	Shares acquired on 20/12/2019	5,380		1,19,196	1.03
	Shares acquired on 14/02/2020	2,178		1,21,374	1.05
	Shares acquired on 21/02/2020	7,832		1,29,206	1.12
	Shares sold on 13/03/2020	-8,399		1,20,807	1.04
	At the end of the year	**1,20,807**		**1,20,807**	**1.04**
15	'ABG CAPITAL				
	At the beginning of the year	1,06,061	0.94	1,06,061	0.94
	Shares sold on 01/11/2019	-6,493		99,568	0.88
	Shares sold on 15/11/2019	-99,568		0	0
	At the end of the year	**0**	**0**	**0**	**0**
16	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF0022				
	At the beginning of the year	0	0	0	0
	Shares acquired on 24/01/2020	84,523		84,523	0.73
	Shares acquired on 31/01/2020	17,824		1,02,347	0.88
	Shares acquired on 13/03/2020	3		1,02,350	0.88
	At the end of the year	**1,02,350**	**0.88**	**1,02,350**	**0.88**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
17	PRINCIPAL SMALL CAP FUND				
	At the beginning of the year	96,900	0.86	96,900	0.86
	Shares acquired on 30/08/2019	3,000		99,900	0.88
	Shares acquired on 13/03/2020	33,470		1,33,370	1.15
	Shares acquired on 20/03/2020	7,049		1,40,419	1.21
	Shares acquired on 27/03/2020	470		1,40,889	1.22
	Shares acquired on 31/03/2020	180		141,069	1.22
	At the end of the year	**1,41,069**	**1.22**	**1,41,069**	**1.22**
18	KUWAIT INVESTMENT AUTHORITY FUND 225				
	At the beginning of the year	82,027	0.72	82,027	0.72
	Shares acquired on 31/05/2019	7,741		89,768	0.79
	Shares acquired on 28/06/2019	11,048		1,00,816	0.89
	Shares acquired on 05/07/2019	201		1,01,017	0.89
	Shares acquired on 09/08/2019	30,221		1,31,238	1.16
	Shares acquired on 23/08/2019	75		1,31,313	1.16
	Shares acquired on 06/03/2020	10,147		1,41,460	1.22
	Shares sold on 13/03/2020	-16,209		1,25,251	1.08
	At the end of the year	**1,25,251**	**1.08**	**1,25,251**	**1.08**
19	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	0	0	0	0
	Shares acquired on 10/01/2020	26,823		26,823	0.23
	Shares acquired on 07/02/2020	1,018		27,841	0.24
	Shares acquired on 28/02/2020	53,970		81,811	0.71
	At the end of the year	**81,811**	**0.71**	**81,811**	**0.71**
20	HSBC SMALL CAP EQUITY FUND				
	At the beginning of the year	60,000	0.53	60,000	0.53
	Shares acquired on 26/04/2019	10,000		70,000	0.62
	Shares sold on 27/09/2019	-7,449		62,551	0.55
	Shares sold on 18/10/2019	-2,551		60,000	0.53
	Shares sold on 08/11/2019	-10,000		50,000	0.44
	Shares sold on 22/11/2019	-10,000		40,000	0.35
	Shares sold on 13/12/2019	-10,000		30,000	0.26
	At the end of the year 31/03/2020	**30,000**	**0.26**	**30,000**	**0.26**

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Atul B. Lall				
	At the beginning of the year	4,66,667	4.12	4,66,667	4.12
	At the end of the year	4,66,667	4.03	4,66,667	4.03
2	Saurabh Gupta				
	At the beginning of the year	0	0	32500	0.29
	At the end of the year	16645	0.14	16645	0.14
3	Ashish Kumar				
	At the beginning of the year	0	0	22500	0.19
	At the end of the year	3768	0.03	3768	0.03

(vi) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,843.10	-	-	13,843.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16.39	-	-	16.39
Total (i+ii+iii)	**13,859.49**	**-**	**-**	**13,859.49**
Change in Indebtedness during the financial year				
* Addition		3,920	-	3,920
* Reduction	10,161.35	-	-	10,161.35
Net Change	**10,161.35**	**3,920**	**-**	**6,241.35**
Indebtedness at the end of the financial year				
i) Principal Amount	3,682.87	3,920	-	7,602.87
ii) Interest due but not paid				
iii) Interest accrued but not due	15.27	-	-	15.27
Total (i+ii+iii)	**3,698.14**	**3,920**	**-**	**7,618.14**

(vii) Remuneration of Directors and Key Managerial Personnel

a. Remuneration to Managing Director, Whole time Director and/or Manager:

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sunil Vachani	Mr. Atul B. Lall	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961	221.32	159.49	380.81
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission as a % of profit	257.40	284.00	541.40
5	others (specify)	21.28	18.80	40.08
	Total (A)	**500.00**	**462.29**	**962.29**
	Ceiling as per the Act	The maximum amount payable to Executive Directors individually was ₹ 738.39 Lakhs being 5% of the net profits of the Company and maximum aggregate amount payable to the Executive Directors was ₹ 1,476.78 Lakhs being 10% of the net profits of the Company. The net profits being calculated as per section 198 of Companies Act, 2013.		

(A) Remuneration to Other Directors

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Keng Tsung Kuo	Mr. Manoj Maheshwari	Ms. Poornima Shenoy	Dr. Manuji Zarabi	
1	Independent Directors					
	Fee for attending board committee meetings	1	2.3	1.2	3.2	7.70
	Commission	0	5	5	5	15
	Others, please specify	-	-	-	-	-
	Total (1)	**1**	**7.3**	**6.2**	**8.2**	**22.7**
2	Other Non-Executive Directors					
	Fee for attending board &committee meetings	-				-
	Commission					-
	Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**1**	**7.3**	**6.2**	**8.2**	**22.7**
	Ceiling as per Act	Maximum amount payable to Independent / Non-Executive Directors subject to maximum of 1% of net profits as per section 198 of Companies Act, 2013: ₹ 147.67 Lakhs				
	Total Managerial Remuneration	Total remuneration paid to all Directors- ₹ 984.99 Lakhs				
	Overall Ceiling as per the Act	Maximum amount payable to Directors subject to a maximum of 11% of net profits as per section 198 of Companies Act, 2013- ₹ 1624.46 Lakhs				

a. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Chief Financial Officier	Company Secretary	Total
		*Mr. Saurabh Gupta	Mr. Ashish Kumar	
1	Gross Salary (PER ANNUM)			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	67.70	41.21	108.91
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	292.40	192.32	484.72
2	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
	Stock Option	-	-	-
4	Sweat Equity	-	-	-
5	Commission as % of profit others, specify	12.00	7.00	19.00
	Others, please specify (including Bonus)	28.90*	12.47	41.37
	Total	**401.00**	**253.00**	**654**

The Remuneration includes fixed pay, variable pay, reimbursement forming part of CTC.
* The amount includes arrears amounting to ₹10 Lakhs

viii Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Place: Noida Date: 11th June, 2020	Sd/- **Sunil Vachani** (Executive Chairman) DIN:00025431	Sd/- **Atul B. Lall** (Managing Director) DIN:00781436

ANNEXURE-IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dixon Technologies (India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dixon Technologies (India) Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2020, 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, 2020 to ascertain the compliances of various provisions of:

a) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 (the "SCRA") and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"):-

   i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;

   v) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   vi) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009;

   vii) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   viii) *The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   *Not applicable as there was no reportable event during the audit period.

f) As confirmed by the management there are no laws which are specifically applicable to the Company

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except for meetings of the Board which were convened at shorter notice in compliance with Section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided at such meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through in each such meetings of the Board and committees of the Board. Further during the course of audit, we have not come across the views of dissenting members recorded as part of the minutes.

d) We further report that based on the information received and records maintained that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations, 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:

a) The Company acquired balance 50% stake in the Padget Electronics Private Limited, thereby making it a wholly owned subsidiary on 12th April, 2019.

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

Shirin Bhatt
Proprietor
C.P. No. 9150
M.No. F8273
UDIN: F008273B000453509

Place: Lucknow
Date: July 14th, 2020

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

Place: Lucknow
Date: July 14th, 2020

ANNEXURE-V

CORPORATE SOCIAL RESPONSIBILITY REPORT

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

Dixon Technologies (India) Limited ("Your Company") works on the belief that organizations should exist to serve a social purpose and enhance the lives of people connected through business. Your Company has long been actively involved in promoting equity, including empowering the under- privileged members of our society through their social and community development. Your Company has a CSR policy in place, to identify the activities relating to areas identified under Schedule VII of the Companies Act, 2013, which aims to ensure that we continue to operate our business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all stakeholders.

Your Company plans to take up CSR programme which benefits the communities in and around, resulting in enhancing the quality of life of the people. During the financial year under review your Company focused on child education, eradicating hunger and welfare of helpless old people of the society. Brief outline of the Company's CSR objectives and its projects/ programmes are mentioned in this report the CSR section of the Board's Report of the Company. The details are also provided in the CSR policy which is available on the website of the Company viz. https://dixoninfo.com/json/dixon/codes-policycorporate-social-responsibility.pdf.

2. Composition of CSR Committee

Pursuant to the provisions of section 135 of the Act, the Corporate Social Responsibility Committee consists of the following members:

Sl. No	Name of the Director	Category
1	Mr. Sunil Vachani	Chairman
2	Mr. Atul B. Lall	Member
3	Dr. Manuji Zarabi	Member

3. Average Net Profit of the Company for last three financial years: ₹ 77,07,06,277/- (Rupees Seventy Seven Crore Seven Lakhs Six Thousand Two Hundred and Seventy Seven Only)

4. Prescribed CSR Expenditure being two percent of the Average net profit: ₹ 1,54,14,126/- (Rupees One Crore Fifty Four Lakhs Fourteen Thousand One Hundred Twenty Six Only)

5. Details of CSR spent during the financial year are as follows:

(a) Total amount to be spent for the financial year; ₹ 1,54,14,126/- (Rupees One Crore Fifty Four Lakhs Fourteen Thousand One Hundred Twenty Six Only)

(b) Amount unspent, if any: ₹ 48,14,126/- (Rupees Forty Eight Lakhs Fourteen Thousand One Hundred and Twenty Six Only)

(c) Reason for not spending the amount: The Company had an unspent amount of ₹ 48,14,126/- as at the end of March 2020 which was subsequently spent by contributing ₹ 50,00,000/- to the PM CARES Fund on 02nd April, 2020. Thus the CSR Budget for the financial year 2019-20 is fully spent as on date. During the month of March 2020, the pandemic (COVID-19) struck the Country and the nationwide locked down was announced. The Ministry of Corporate Affairs through its circular no. 10/2020 dated 23rd March, 2020 clarified that spending of CSR funds for COVID-19 is eligible as CSR activity, therefore the Company after considering the impact of pandemic COVID-19 decided to outlay ₹ 50,00,000/- to PM CARES Fund as at the end of March, 2020.. The Company amidst the nationwide locked down in force could arrange to transfer the said fund on 02nd April, 2020.

(d) Manner in which the CSR amount spent for the financial year 2019-20 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	**CSR project or activity identified**	**Sector in which The Project is covered**	**Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto to the reporting period**	**Amount spent**
1	Eradicating hunger and promotion of education & help for widows	Providing mid day meal to school children	Vrindavan	₹ 37,00,000/- (Rupees Thirty Seven Lakhs Only)	₹ 37,00,000/- (Rupees Thirty Seven Lakhs Only)	₹ 37,00,000/- (Rupees Thirty Seven Lakhs Only)	Through The Akshaya Patra Foundation
2	Welfare of Senior Citizens	Old Age Home – works for the welfare of helpless, old aged people of the society	Delhi and and Garhmuktes-war	₹ 32,00,000/- (Rupees Thirty Two Lakhs Only)	₹ 32,00,000/- (Rupees Thirty Two Lakhs Only)	₹ 32,00,000/- (Rupees Thirty Two Lakhs Only)	Through Guru Vishram Vridh Ashram
3	Child Education	Imparting value based education	Delhi	₹ 21,00,000/- (Rupees Twenty One Lakhs Only)	₹ 21,00,000/- (Rupees Twenty One Lakhs Only)	₹ 21,00,000/- (Rupees Twenty One Lakhs Only)	Through Nav Abhiyan
4	Education to abled and disabled	Imparting value based education and providing inclusive environment to abled and disabled and allow to work and play together	Delhi	₹ 16,00,000/- (Rupees Sixteen Lakhs Only)	₹ 16,00,000/- (Rupees Sixteen Lakhs Only)	₹ 16,00,000/- (Rupees Sixteen Lakhs Only)	Through Jan Madhyam
5	Disaster Management	Disaster Management, including relief, rehabilitation and reconstruction activities	-	₹ 50,00,000/- (Rupees Fifty Lakhs Only)	-	-	Through PM CARES Fund
	Total			**₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs Only)**	**₹ 1,06,00,000/- (Rupees One Crore Six Lakhs Only)**	**₹ 1,06,00,000/- (Rupees One Crore Six Lakhs Only)**	-

(e) The Company had carried out sanitation drive in Noida region during the previous financial year 2018-19. The CSR funds allocated for the said purpose were ₹ 6,00,000.

Out of the said amount allocated for sanitation drive, an amount of ₹ 2,92,022 was spent during the said Financial Year 2018-19. However, due to non- receipt of invoices for an amount of ₹ 3,07,978 by the Company from the Contractors, the said amount remained unspent towards the said CSR activity during previous financial year. The said amount of ₹ 3,07,978 was, thus, spent during the FY 2019-20.

6. Responsibility Statement-
The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
Sunil Vachani
(Chairman of CSR Committee)
DIN:00025431

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

Place: Noida
Date: 11th June, 2020

ANNEXURE-VI

BUSINESS RESPONSIBILITY REPORT

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

This Business Responsibility Report (BRR) is one of the avenues to communicate the Company's obligations and performance to all its stakeholders for FY 2019-20.

Section A - General Information

Corporate Identity Number	L32101UP1993PLC066581
Name of the Company	Dixon Technologies (India) Limited
Registered Address	B-14 & 15 Phase-II Gautam Buddha Nagar Noida -201305
Website	www.dixoninfo.com
Email ID	investorrelations@dixoninfo.com
Financial Year reported	April 1, 2019 -March 31, 2020
Sector(s) that the Company is engaged in (industrial activity code-wise) National Industrial Classification – Ministry of Statistics and Programme Implementation	LED TV: 264 LED Bulb- 274 Washing Machine- 275
List three key products / services that the Company manufactures / provides (as in balance sheet)	1. TELEVISIONS 2. LED BULB 3. WASHING MACHINE
Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	Manufacturing Locations: a. Nil b. The Company's businesses and operations are spread across 11 locations in the country. Details of plant locations are provided in the section, 'Shareholder Information in the Annual Report.
Markets served by the Company - Local / State / National / International	The Company has B2B business model.
Details of Subsidiary of the Company	As on 31st March, 2020, the Company has three subsidiary Companies- 1. Dixon Global Private Limited (Wholly Owned Subsidiary) 2. Padget Electronics Private Limited (Wholly Owned Subsidiary) 3. Dixon Electro Appliances Private Limited (Wholly Owned Subsidiary)
Details of the Company's subsidiaries participating in BR initiatives	There is no direct participation of the Company subsidiaries in the BR initiatives of your Company
Details of entities (suppliers and distributors, among others) that the Company does business with, who participate in the Company's BR initiatives, along with the percentage of such entities (Less than 30%, 30-60%, more than 60%)	There are no such Entities

Section B - Financial Details	
Paid up capital	₹ 11,57,01,410/- (1,15,70,141 Equity shares @ ₹ 10/- each)
Total turnover	₹ 3,67,149.94 Lakhs
Total profit after taxes	₹ 11,060.46 Lakhs
Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.	Refer Annexure V of the Director's Report on Corporate Social Responsibility (calculated as per Section 135 of the Companies Act, 2013)
List of activities in which CSR expenditure as above has been incurred	Please refer "Annexure V of the Annual report on Corporate Social Responsibility activities" forming part of Director's Report.

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

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

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

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

3. Governance related to BR:

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

Section D- Principle-wise Performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group/ Joint Ventures/Suppliers/ Contractors/ NGOs/ Others?	Our Corporate Governance practices apply across the entire Dixon Group. Dixon has adopted the Code of Conduct which complies with all the legal requirements of the applicable rules and regulations including anti bribery and corruption & guides its employees and directors to conduct business in an ethical, responsible and transparent manner. It also covers all dealings with suppliers, customers and other business partners and other stakeholders. The Code forms an integral part of the induction of new employees. The Company has zero tolerance approach towards bribery and corruption. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its contracts to which they are obligated. The contracts include clauses in relation to anti-corruption law, confidentiality, human rights etc. The code of conduct is further supported by Vigil Mechanism, which is being governed by Whistle Blower Policy. Objective of the Policy is to establish no threat window whereby an individual, who is aware of any Protected Disclosure in the Company, is able to raise it to the appropriate channel as outlined in the policy, to ensure appropriate and timely institutional response and remedial action and offer protection to such individual from victimization, harassment or disciplinary proceedings. The Policy is directly monitored by the Chairman of the Audit Committee.

Section D- Principle-wise Performance

	The Company also has policy for (a) Determining Materiality of Events and Information, to ensure disclosure of any event or information which, pursuant to SEBI regulations is material to determine whether an event or information is material or not and to ensure timely, accurate, uniform and transparent disclosure; and (b) Prevention of Insider Trading and protection of the unpublished price sensitive information. The copies of all the above mentioned policies are available on the website of the Company.
2. How many Stakeholders Complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company being in Manufacturing industry does receive client's/customer's queries/feedback which are duly attended to and addressed to satisfaction of the Stakeholders. Further, a total of 36 Investor complaints were received during the FY 2019-20 which have been duly addressed and satisfactorily resolved. Further, there were no cases of violation of the Company's Code of Conduct in FY 2019-20. No case was reported under the Company's Whistle Blower Policy during the year. The Company has ensured prompt public disclosure of unpublished price sensitive information in order to make such information generally available and is in compliance with the SEBI Insider Trading Regulations.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	Dixon is a company engaged in inter-alia manufacturing of the products in the consumer durables, lighting, home appliances, mobile phones and other electronic items in India and each of our products or services incorporates social or environmental concerns, risks and/or opportunities Keeping the aforesaid in mind the Company aims to have negligible negative impact on the environment by working towards reduction and optimal utilisation of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas. In order to reduce the industrialization impact, Your Company has adopted the Restriction of Hazardous Substances Directive (RoHS) process. Through this process, the Company restrict the use of six hazardous materials, including Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6), Polybrominated Biphenyls (PBB) and Polybrominated Diphenyl Ether (PBDE), in the manufacturing of electrical and electronic devices. Also, your Company ensures that the amount of Carbon dioxide emissions in the atmosphere as a result of the business and production activities is minimum through its Carbon disclosure program. Under this program your company keeps a track of the carbon dioxide emissions from its business activities and takes appropriate actions wherever necessary to keep the carbon emissions to its minimum levels. This way your Company is also contributing a carbon footprint strategy in the organisation.

Section D- Principle-wise Performance	
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?	With a diverse portfolio of products, calculating our environmental performance per product poses unique challenges. Being a responsible company, we continuously track the consumption of the resources and strive to reduce the resource usage.
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	NA
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has developed over the last decades supplier intimacy and goodwill which enables the Company to source quality raw materials even when there is scarcity of raw material in Market. We engage with local suppliers for sustainable sourcing. The Company endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The main raw materials are procured from manufacturers / producers/suppliers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation, which, in turn, help to mitigate the impact on climate
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company's criteria for selection of goods and services is reliability, quality and price. Regular assessments are made by the Company for the key suppliers and local vendors. The Company strives to obtain goods and services from the nearby local and nearby vendors. Frequent visits, if required are also arranged by the officials of the Company to the work stations of these local vendors for betterment of processes and quality of products. Moreover, the concerted efforts of the Company over the years have led to the creation of sustainable livelihoods for local people in the vicinity of its business units.
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste). Also, provide details thereof, in about 50 words or so.	The Company is consciously trying to reduce its carbon footprints, minimise waste generation and manage water resources better. Effective waste management is accomplished through a host of well-laid-out and continuously monitored procedures. As the Company is aware of the responsible use of the finite natural resources, we have entered into an agreement with Greeniwa Recycler Pvt Ltd, a recycler for recycling and disposal of E-waste generated and with M/s Steam Oil & General Industries for disposal of hazardous oil waste during the manufacturing process. Appropriate treatment of the waste ensures that we send minimum waste to landfills. In the future, the Company will strive to continue the mechanism in all spirits.

Section D- Principle-wise Performance

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.	Permanent: 1185 & Contractual: 9073
2. Please indicate the Total number of employees hired on temporary/ contractual/causal basis	Contractual: 9073
3. Please indicate the number of permanent women employees	49
4. Please indicate the Number of permanent employees with disabilities	The Company does not have any permanent employee with disabilities
5. Do you have an employee association that is recognized by management	Yes, the Company is having employee associations/Worker Committee at 10 of its units consisting of minimum 5 members in each of such association
6. What percentage of your permanent employees is member of this recognised employee association?	minimum 50%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not engage in any form of child labour/forced labour/ involuntary labour and does not adopt any discriminatory employment practices. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. No complaint of Sexual Harassment was received during the year and the same was satisfactorily dispose by the Management of the Company.
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
a. Permanent Employees	100%
b. Permanent Women Employees	100%
c. Casual/ Temporary/ Contractual Employees	100%
d. Employees with Disabilities	100% 15 employees hired on contractual basis

Principle 4: Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders? Yes/ No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has employed 15 disabled persons (contractual basis). The Company has provided them with requisite training in connection to their work.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	The Company's approach for identifying and engaging with stakeholders includes shareholders, customers, employees, suppliers, communities, civil society and the government. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company has under its various CSR initiatives has contributed to non- government organisations in support of their initiatives for under privileged child education, old age homes and disabled people. The details of such CSR Activities are specified in the CSR section of the Director's report. Yes, as a socially responsible organization, we are committed to work for the welfare of the communities around us.

Section D- Principle-wise Performance	
Principle 5 – Human Rights:	
1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The Company, on its own initiatives, is committed to comply with all human rights and follow it across all stakeholders associated with the Company. The Company does not employ any forced labour and child labour and is committed to promoting the general equality among the employees. Yes all the policy on human rights covers the entire Dixon group and the Company's actions emanating from these policies speak louder than its intentions. Not only is the Company compliant with all the statutory laws and regulations, but it has grievance redressal mechanism in place for violations,
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil
Principle 6 – Protection of Environment:	
1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others	The Company aims to achieve business excellence in environment protection, health management and safety across its businesses. Protection of the environment ranks high among our Corporate goals and as a responsible corporate citizen.. The Policy covers all the employees of Dixon Group and to all the interested parties and public. Also. the Company's policy on environment, health and safety encourages its employees to be more ecologically aware and to be more cautious in pre-empting potential threats by developing relevant measures to address them The key measures that the policy of the company incorporates are as following: 1) Incorporate environmental management in all our business processes and practices 2) Generate awareness amongst employees for their roles and responsibilities in ensuring good environmental management. 3) Conserve natural resources 4) Remain in compliance with all applicable government environmental regulations
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc?	The Company is vigilant of the emerging challenges like climate change, global warming and investing in measures that convert these challenges into opportunities. The Company believes it is its responsibility to address global long term challenges and ensures the business is run in a socially, ecologically and economically responsible manner. Global environmental issues our addressed as a part of our business context and our moral duty towards the environment. With the production of energy efficient products, conservation measures, reducing dependence on limited resources, the Company not only reducing the burden on the environment, but also on its operational costs.
3. Does the Company identify and assess potential environment risks? Y/N	Yes. The Company has an environmental policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance. .The Company firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units.. Hazards are analysed, evaluated and adequate control measures are taken to reduce impact on environment. The Company has also adopted the risk assessment policy which identifies and takes into consideration the potential risks and its implications on the functioning of the Company.

Section D- Principle-wise Performance	
4. Does the company have any project related to Clean Development Mechanism? If so, provide details therefor, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	As the Company is aware of the responsible use of the finite natural resources, we have entered into an agreement with Greeniwa Recycler Pvt Ltd, a recycler for recycling and disposal of E-waste generated and with Steam Oil & general Industries for disposal of Hazardous oil generated during the manufacturing process. Appropriate treatment of the waste ensures that we send minimum waste to landfills. Also, your Company ensures that the amount of Carbon dioxide emissions in the atmosphere as a result of the business and production activities are 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 is how your Company undertakes various clean development mechanisms throughout the Dixon's group.
5. Has the Company undertaken any initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company believes it is its responsibility to address global long term challenges and ensures the business is run in a socially, ecologically and economically responsible manner. Keeping the aforesaid into consideration, your Company has installed solar roof tops panels to reduce dependency on non-renewable sources at its facility situated at Noida.
6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	The Company is in compliance with the applicable environmental laws and regulations. The Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits. Yes, we comply with all applicable environmental legislations in the locations we operate in.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil
Principle 7 - Responsible Advocacy:	
1. Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.	Not applicable
2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	Not applicable
Principle 8 - Inclusive Growth and Equitable Development:	
1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Inclusive growth and equitable development are essential to foster sustainable local development and uplift the communities in which we operate. The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The CSR projects are in accordance with Schedule VII of the Companies Act, 2013 and rules made there under. The Company will continue to strive towards inclusive growth and community development.

Section D- Principle-wise Performance	
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?	The CSR projects have been carried out by the Company by partnering with both NGOs. Details of CSR initiatives are available in the Annual Report for financial year 2019-20 annexed to the Directors' Report.
3. Have you done any impact assessment of your initiative?	Yes. The Company assesses the impact of the various CSR initiatives through its CSR Committee. The CSR Committee at the end of the year understand the efficacy of the programme in terms of delivery of desired benefits to the community. The Company also try to make the impact assessments to ensure that the intended benefit of the initiative is going to the masses as desired.
4. What is your company's direct contribution to community development projects- Amount in Rupees and the details of the projects undertaken.	The Company has spent ₹ 1,56,00,000/- towards various CSR initiatives during the year 2019-20. For detailed information relating to list of activities in which expenditure above has been incurred, please refer the Annual Report on Corporate Social Responsibility activities annexed to the Directors' Report. The Company had an unspent amount of ₹ 48, 14,126/- during the month of March 2020 when the pandemic (COVID-19) struck the Country and the nationwide locked down was announced. The Ministry of Corporate Affairs through its circular no. 10/2020 dated 23rd March, 2020 clarified that spending of CSR funds for COVID-19 is eligible as CSR activity, therefore the Company after considering the impact of pandemic COVID-19 during the end of the Month of March, 2020 decided to outlay ₹ 50,00,000/- to PM CARES Fund.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Dixon's CSR initiatives are rolled out with non-profit & Govt. organisations. Most of the projects involve community participation and are designed by NGOs with due consultation with the communities. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Company's Representatives track the reach and take necessary steps to make it successful. The Company's representatives ensure that the initiatives so taken are providing the intended benefit to the community as desired.

Principle 9 – Customer Value:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The Company follows a robust way of tracking its stakeholder's complaints and focus has been to make it easy for the stakeholder's complaints to be heard by the management but since we are into B2B business. Therefore, we directly do not
2. Does the company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company displays such product information on its packaging as is mandated by law. The Company complies with the mandated requirements as per the local laws.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No cases were filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company's Business model is B2B. Customer feedback is gathered at the end of key customer interactions, during delivery of Manufactured product. The Company gathers the required information from the business partners with whom the Company carry out the business operations. The Company is not directly engaged with the end customers. Therefore the Company does not carry out any consumer survey/consumer satisfaction trends.

ANNEXURE-VII

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

a. Conservation of energy:

Environmental sustainability is embedded in the Dixon Environmental policy which reflects that the Company pursues the path of Industrial development in harmony with the environment. As part of long term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers, stakeholders and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment. As an organization, your Company is committed to the goal of sustainable and inclusive growth. As a manufacturer of electrical products, your Company has a special responsibility towards energy conservation. This is reflected in our product development efforts and process upgrades. Energy conservation has always been in the top priority of your Company and recognized the importance of energy conservation in decreasing the harmful effects of Global Warming and climate change.Your Company's manufacturing units are ISO 9001:2015, quality management, and ISO 14001:2015, environmental management, certified from URS USA.

In order to reduce the industrialization impact, Your Company has adopted the Restriction of Hazardous Substances Directive (RoHS) process. Through this process , the Company restrict the use of six hazardous materials, including Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6), Polybrominated Biphenyls (PBB) and Polybrominated Diphenyl Ether (PBDE), in the manufacturing of electrical and electronic devices. Also, as part of our go-green initiative, your Company has installed solar roof tops panels to reduce dependency on non-renewable sources at its facility situated at Noida and the capital expenditure incurred for the same amounted to ₹ 51.45 Lakhs. This will also enable your Company to reduce costs and increase operational efficiency. The company has saved approximately ₹ 7.19 Lakhs on electricity consumption post installation of solar panel.

Also, your Company ensures that the amount of Carbon dioxide emissions in the atmosphere as a result of the business and production activities is minimum through its Carbon disclosure program. Under this program your company keeps a track of the carbon dioxide emissions from its business activities and takes appropriate actions wherever necessary to keep the carbon emissions to its minimum levels. This way your Company is also contributing a carbon footprint strategy in the organisation.

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) For the LED TV segment, we have dedicated design houses and development centres across three locations out of which, one is China. With more than 25 engineers working across all the three locations along with the able support of various TV components such as Open cell, PCBA, BLU etc, this segment is steady on its path towards technological advancement;

(iii) For our washing machines, technological absorption is ensured via the facility of Environmental Chamber under which various tests are classified as per the investigation requirements. We also possess the resource of an ELT Lab which has a capacity for 45 machines;

(iv) Pertaining to our lighting and mobile segment, we have taken decisive strides forward. In the embryonic stage for smart bulbs, Dixon also has a global level R&D infrastructure for product testing and validation. For mobiles, the same approach exists and technology absorption is noted via Dixon's certification as a member for Android product development, in-house reliability labs for product design, cost innovation teams as well as co-operation with recognized Test Labs for product testing and validation;

(v) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable

(i) the expenditure incurred on Research and Development.

(a) Capital ₹ 61.10 Lakhs (Previous year - ₹ 258.50 Lakhs)

(b) Recurring ₹ 405.56 Lakhs (Previous year - ₹ 432.12 Lakhs)

(c) Total ₹ 466.66 Lakhs (Previous year - ₹ 690.62 Lakhs)

(d) Total R & D expenditures as a percentage of total turnovers 0.13 %. (Previous year - 0.27%)

Also, in the washing machine segment, your Company plans to enter into fully-automatic washing machine. While, in the lighting business, we further plan to penetrate the street lighting market and provide smart solutions. Also, your company is a certified ODM for android devices in LED TV basis the ACC Agreement with Google.

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	2019-20	2018-19
CIF VALUE OF IMPORTS GOODS	2,15,198.08	1,16,678
EXPENDINTURE IN FOREIGN CURRENCY	226.42	519.21
Total	2,15,424.5	1,17,197.21

Foreign Exchange Earnings (₹ in Lakhs):

Particulars	2019-20	2018-19
Export (FOB Basis) -	355.74	₹ 2,566.10

By the order of the Board

For Dixon Technologies (India) Limited

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

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

Place: Noida
Date: 11th June, 2020

ANNEXURE-VIII

PARTICULARS OF EMPLOYEES

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

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

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

Name of Director	DIN	Title	Remuneration in fiscal year 2020 (in ₹ Lakhs)*	Remuneration in fiscal 2019 (in ₹ Lakhs)	% increase of remuneration in fiscal 2020 as compared to fiscal 2019	Ratio of remuneration to MRE	Commission (in ₹ Lakhs)
Mr. Sunil Vachani	00025431	Whole time Director	242.60	216.12	12.25%	90.85	257.40
Mr. Atul B. Lall	00781436	Managing Director	178.29	153.26	16.33%	66.50	284.00

MRE- Median remuneration of Employees

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

For the purpose of comparison, remuneration for both fiscal 2020 and 2019 are given for the full year, except where specifically stated otherwise. Accordingly, the percentage increase and ratio of remuneration are computed on an annualized basis wherever applicable.

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

Name of Director	DIN	Remuneration fiscal 2020 (₹ in Lakhs)*	Remuneration fiscal 2019 (₹)*	% increase of remuneration in fiscal 2020 over 2019	Ratio of remuneration to MRE
Mr. Manoj Maheshwari	02581704	7.30	7.20	Not Applicable	2.73
Dr. Manuji Zarabi	00648928	8.20	7.90	Not Applicable	3.06
Ms. Poornima Shenoy	02270175	6.20	6.70	Not Applicable	2.32
Mr. Keng Tsung Kuo	03299647	1.00	NA	Not Applicable	0.37

MRE- Median remuneration of Employees

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

Mr. Keng Tsung Kuo was appointed as the Non-Executive Independent Director w.e.f 12th April, 2019.

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

Name of KMP	Title	Remuneration in fiscal year 2020 (in ₹ Lakhs)#	Remuneration in fiscal 2019 (in ₹ Lakhs)#	% increase of remuneration in fiscal 2020 as compared to fiscal 2019#	Commission (in ₹ Lakhs)	ESOP Perquisite value (₹ in Lakhs)
Mr. Ashish Kumar	Company Secretary	53.69	46.50	15.46%	7.00	192.32
Mr. Saurabh Gupta	Chief Financial Officer	96.60*	73.99	30.55%	12.00	292.40

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

* This amount includes arrears amounting to ₹ 10 Lakhs

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

(₹ in Lakhs)

NAME OF THE NON-EXECUTIVE DIRECTOR	SITTING FEE	COMMISSION	TOTAL
Dr. Manuji Zarabi	3.2	5	8.2
Ms. Poornima Shenoy	1.2	5	6.2
Mr. Manoj Maheshwari	2.3	5	7.3
Mr. Keng Tsung Kuo	1	0	1
Total	**7.70**	**15**	**22.70**

Mr. Keng Tsung Kuo was appointed as the Non-Executive Independent Director w.e.f 12th April, 2019.

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

Employee name	Designation	Age	Nature of Employment	Educational qualification	Exp (yrs)	Remuneration in fiscal 2020 (₹)# (in Lakhs)	ESOP Perquisite (₹ in Lakhs)	% Equity Shares held	Previous employment & designation	Whether relative of any director of the Company	Date of Commencement of employment
Sunil Vachani	Chairman	51	Permanent	Associate of Applied Arts in business administrations	28	500.00	Nil	34.67	-	No	01/12/1993
Atul B. Lall	Managing Director	58	Permanent	Master's degree in management studies	28	462.29	Nil	4.12	-	No	01/12/1993
Abhijit Kotnis	President & COO-Consumer Electronics	51	Permanent	MBA in Marketing & Operations & B.E. in Electronics & Telecommunications	30	201.81	247.42	0.05	Videocon Industries Ltd	No	03/07/2018
Saurabh Gupta	Chief Financial Officer	38	Permanent	B.Com, CA, CS & MBA (MDI, Gururam)	18	108.60	292.40	0.14	PVR LTD	No	19/09/2017
Vineet Kumar Mishra	President & COO (Lighting Division)	44	Permanent	Diploma in Electronics	26	389.23	Nil	-	Onida Savak Ltd	No	05/02/2004
Ashish Kumar	Group CS, Head - Legal & HR	40	Permanent	B.Com, FCS, EPBM-IIM(C)	18	60.69	192.32	0.03	Narayana Hrudayalaya Ltd	No	06/03/2017

Employee name	Designation	Age	Nature of Employment	Educational qualification	Exp (yrs)	Remuneration in fiscal 2020 (₹)# (in Lakhs)	ESOP Perquisite (₹ in Lakhs)	% Equity Shares held	Previous employment & designation	Whether relative of any director of the Company	Date of Commencement of employment
Muneesh Dhawan	Vice President (Business Development)	56	Permanent	PG in Marketing, Sales and Management	33	57.92	112.46	0.00	Samsung India Pvt. Ltd	No	15/12/2015
Pankaj Sharma	President-COO (Mobile &Security Division)	58	Permanent	BA	30	117.66	Nil	0.13	PG Electronics	No	25/03/2010
Rajeev Lonial	President-COO (Home Appliances	57	Permanent	PGD in Plastic Processing Technology	31	79.80	Nil	0.07	A G Peripherals	No	21/07/2010
Rajender C Badgujar	Vice President	53	Permanent	Diploma in Mechanical Engineering	31	72.00	Not Applicable during FY 2019-20	-	Videocon Industries	No	22/12/2017

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

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

Employee name	Designation	Age	Nature of Employment	Educational qualification	Exp (yrs)	Remuneration in fiscal 2020 (₹)# (in Lakhs)	ESOP Perquisite (₹ in Lakhs)	% Equity Shares held	Previous employment & designation	Whether relative of any director of the Company	Date of Commencement of employment
Sunil Vachani	Chairman	51	Permanent	Associate of Applied Arts in business administrations	28	500.00	Nil	34.67	-	No	01/12/1993
Atul B. Lall	Managing Director	58	Permanent	Master's degree in management studies	28	462.29	Nil	4.12	-	No	01/12/1993
Abhijit Kotnis	President & COO-Consumer Electronics	51	Permanent	MBA in Marketing & Operations & B.E. in Electronics & Telecommunications	30	201.81	247.42	0.05	Videocon Industries Ltd	No	03/07/2018
Saurabh Gupta	Chief Financial Officer	38	Permanent	B.Com, CA, CS & MBA (MDI Gurugram)	18	108.60	292.40	0.14	PVR LTD	No	19/09/2017
Vineet Kumar Mishra	President & COO (Lighting Division)	44	Permanent	Diploma in Electronics	26	389.23	Nil	-	Onida Savak Ltd	No	05/02/2004
Ashish Kumar	Group CS, Head - Legal & HR	40	Permanent	B.Com, FCS, EPBM-IIM(C)	18	60.69	192.32	0.03	Narayana Hrudayalaya Ltd	No	06/03/2017
Muneesh Dhawan	Vice President (Business Development)	56	Permanent	PG in Marketing, Sales and Management	33	57.92	112.46	0.00	Samsung India Pvt. Ltd	No	15/12/2015
Pankaj Sharma	President-COO (Mobile &Security Division)	58	Permanent	BA	30	117.66	Nil	0.13	PG Electronics	No	25/03/2010

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

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

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

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

Employee name	Designation	Age	Nature of Employment	Educational qualification	Exp (yrs)	Remuneration in fiscal 2020 (₹)# (in Lakhs)	ESOP Perquisite (₹ in Lakhs)	% Equity Shares held	Previous employment & designation	Whether relative of any director of the Company	Date of Commencement of employment
Rajender C Badgujar	Vice President	53	Permanent	Diploma in Mechanical Engineering	31	72.00	Not Applicable during FY 2019-20	-	Videocon Industries	No	22/12/2017

#Remuneration includes fixed pay, variable pay, reimbursement forming part of CTC.

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

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

Sd/-
Atul B. Lall
(Managing Director)
DIN:0078143

Place: Noida
Date: 11th June, 2020

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

Indian Electronic manufacturing services industry has seen sweeping changes over the last two decades, due to: (i) advancement in product (across technology, formats, design); (ii) evolution of the retail formats (from traditional to large-format specialized stores & e-commerce); (iii) change in trade environment (more domestic production, duty hike on imports) and (iv) an embryonic regulatory landscape. The positive outlook of a (higher) GDP growth rate, improving physical & social infrastructure (availability of electricity & water), better logistics (facilitated by improved road connectivity), and scope of market development for some product categories and expansion of retail will give additional impetus to the sector

Indian EMS Market size was approx. USD 6 billion in FY20 & expected to touch USD 40 billion by 2025 at a CAGR of 47% from 2020 to 2025.

Rising manufacturing costs in other economies, growing labour costs in China & tendency by bigger OEMs to outsource manufacturing instead of building their own infrastructure is driving growth of EMS market in India. More & more brands are going to focus on branding & distribution & manufacturing as part of the value chain will be outsourced. Growth in underlying sector - increase in demand of consumer electronics, home appliances, mobile phones and LED lighting products has led of proliferation of the EMS market in India. The introduction of electronics sector-specific policies and commitment by the government to - (i) grow domestic manufacturing; (ii) lower import dependence; (iii) energize exports; (iv) produce a conducive business environment are additional factors driving growth

Dixon Technologies value proposition in electronic manufacturing industry

Dixon is the largest EMS player in India with a diversified product portfolio in various sub-segments of the electronics verticals. It is the largest Home-grown electronic manufacturer, providing design focused solutions in multiple business segments to customers across the globe. The company offers cost-effective consumer products in India through leading domestic as well as global retail brands. The company has core strengths in Electronic components, surface mounting, box building, semiconductors, silicon, thermal management, wound components, polymer processing, plastics & sheet metal.

Dixon Technologies value proposition include

Quality & Integration

- High level quality adherence
- Frequent quality audits
- Never posed an "own brand" risk to customers

Scale

- Able to pass on the benefit of economics of scale to customers
- Efficient and nimble supply chain to respond to demand fluctuations
- Cost leadership with integrated manufacturing set-up and global sourcing capabilities

Continuous Innovation

- Strong R&D team with proven expertise in developing own designs
- Continuous effort to come out with Innovative low cost solutions
- ODMs have been approved by global Brands

Cost-effective Solution

- Global Sourcing & process
- Frugal, flexible & fungible manufacturing base
- In-house capabilities for polymers, plastics, sheet metal, surface mount , box building etc
- Backward integrated manufacturing facilities
- Availability of skilled and unskilled manpower at manufacturing facilities

Segment Overview

LED Television (TV)

The LED TV market size is estimated to grow faster pace from 14 mn unit p.a in 2019 to 21 mn units by 2023, at a CAGR of 10%. The Indian LED TV market was valued around ₹ 220 billion in 2019 and is projected to touch ₹ 322 billion by 2023

The television market is also experiencing a growth in demand for smart TV due to higher internet penetration, rising content consumption, cheaper content options, falling price of entry-level TVs, low levels of multi-TV homes in urban markets, replacement of CRT & Plasma TVs and reduction in replacement cycle.

Dixon is a market leader in the LED TV manufacturing. The company has the largest capacity of LED TV - 3.6 Mn Units p.a. which is 26% of the India Market requirement. Product portfolios include 19 to 65 inches, ATV, 2K, 4K UHD, Smart, Semi-smart, Android certified, Linux based TV with AIOT platform and voice control features. The company provides end to end solution including Auto Insertion, SMT, and LCM Module Assembly. The company also has backward integration capability into LED panel assembly with clean room. Further capacity of our SMT lines have been increased to 1.8 mn / annum from 1 mn earlier

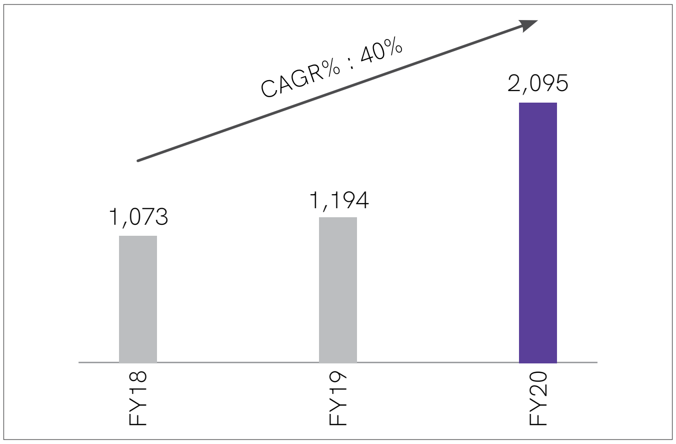
The recent notification to curb imports on LED TVs and place them into the restricted category will boost domestic manufacturing & accelerate domestically designed solutions for LED TV & is a significant positive for the company & we are further expanding our capacity to 5.5 mn by Q4, FY 20-21 which will take care of 40% of Indian requirement

The Consumer electronics segment is largest segment of the company, which contributed 48% of total revenue. Volume in LED TV segment were 21.1 Lakhs in FY19-20, a growth of 86% from same period of last year, the revenues were ₹ 2,095 Crores in FY 19-20 as against ₹ 1,194 Crores in the same period of last year, a robust growth of 76%. Operating profit witnessed a strong growth of 102%, from ₹ 25 Crores in in FY 18-19 to ₹ 50 Crores in FY 19-20.

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

capacity of LED TV i.e.

3.6 Mn units p.a.



Lighting Products

The Indian LED Lighting industry was estimated to ₹ 188 billion in 2019 & expected to touch ₹ 300 billion by 2023 & at CAGR of 12.5%.

The rising awareness about cost & energy efficiency & eco-friendliness of LED lighting among the consumers & innovative & differentiated products will continue to drive the demand for LED lighting

Dixon is India's most respected manufacturer having largest capacity in lighting industry in India. The Lighting product portfolio includes LED bulbs, Ballast, Tube lights, Battens, Downlighters, emergency lights & LED drivers. The company has a capacity of 240 million LED bulbs p.a which is 45% of the India market requirement & has 2000 variants from 0.5 to 50 watts.

The company plans to increase the Capacity in Battens & Downlighters & target for 25% share in Indian Market.

The company has strong R&D capabilities enabling to develop new lost cost innovative products & has backward integration capabilities in Sheet metal, Plastic Moulding & Wound components. More than 90% of the Lighting revenue is coming from own design solutions of the company.

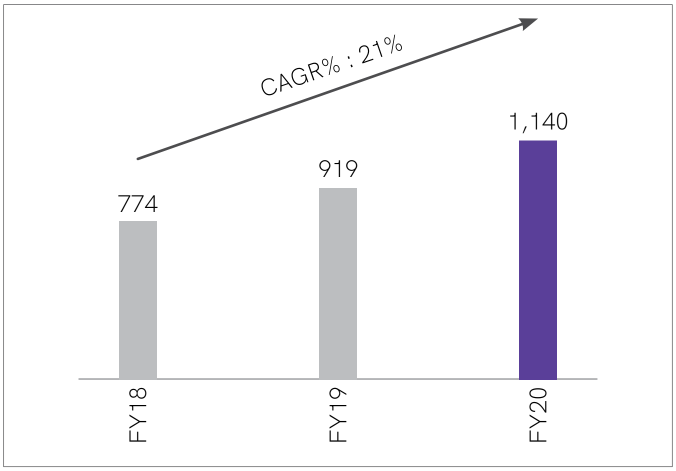
In terms of capacities, technology, product portfolio & cost competitiveness the company is globally competitive & among the top companies in the world.

The company is also foraying into commercial Lighting with solutions of LED street lights & Flood Lights will be launched & offered to customers in FY 20-21

We are also automating our lines & one- third of our Lighting volumes will get automated which will also lead to margin expansion in FY 20-21

Lighting Segment contributed 26% of total revenue in FY 19-20, revenues was ₹ 1140 Crores in FY19-20 as against ₹ 919 Crores in same period last year and operating profit was 98 Crores as against ₹ 66 Crores in FY 18-19, a strong growth of 48%. The margins in the lighting business also expanded from 7.2% in 2018-19 to 8.6% in 19-20 due to operating leverage & more migration to ODM.

The major customers in this segment are Signify, Panasonic Life solutions, Wipro, Bajaj, Syska, Orient, Havells, Polycab, Luminous.



Dixon is India's most respected manufacturer having largest capacity in lighting industry in India.

Home Appliances

Indian washing machine market was estimated at 7mn units in FY 19-20, valued at ₹ 104 billion & estimated to touch 10 mn units, valued at ₹ 146 billion till FY23 at CAGR of 12%. Washing Machine market is mainly driven by growing working population, increasing in number of nuclear families, rising manpower costs (domestic helps) and rising trend of working women to drive urban consumption

The Home appliances segment of the company presently comprises of semi-automatic washing machines which accounts for 65% of the total industry volumes. This segment contributed 9% to overall revenues of the company in FY 19-20. The company currently has 140 models from 6.0 Kg to 10 Kg & has the largest capacity in India at 1.2 mn per annum which is almost 28% of the Indian Market requirement.

The company has acquired in-house capabilities for designing the complete range of semi-automatic washing machines. Also, the company has in-house development of new design concepts with additional features like magic filter, water fall, side scrubber and air dry. The segment has backward integration capability in Plastic Moulding. The company has State of art Lab facility with environmental Chamber. In this category only 30% of the Bill of Material is imported, on which also the Company is working to localize some of the imported components

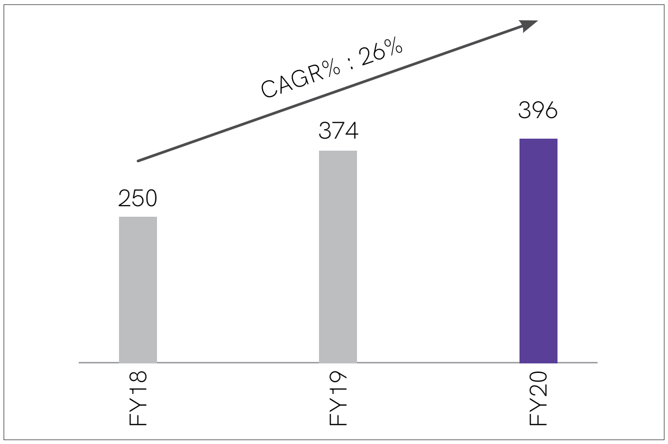
25%

YoY growth in operating profit

The company is also getting into Top fully automatic washing machine with 45 variants with an annual capacity of 6 lac. Agreement is closed with a large anchor customer & discussions are going on with a very large Tier 1 customer. Fully automatic washing machines should continue to attract demand from metros & urban towns due to time constraints

Volume in FY 19-20 grew at 7 % YoY & reached to 8 Lakhs units p.a from 7.5 Lakhs units in the previous year, while the revenues were ₹ 396 Crores in FY 19-20 as against ₹ 374 Crores in FY 18-19, a growth of 6% but the operating profit was 46 Crores in FY 19-20 as against ₹ 37 Crores in FY 18-19, a strong growth of 25%.

The major customers in this segment are Samsung, Godrej, Panasonic, Llyod, Flipkart, Haier, Voltas- Beko, Reliance etc



Mobile Phones

Indian mobile phones market was valued at ₹ 1600 billion FY 19-20 & estimated to touch 2000 billion, till FY23 at a CAGR of 6%. As many as 268 manufacturing units for mobile handsets & their sub-assemblies / components have been set up in India during the last 3 years. India is the world's second-largest smartphone market with annual volumes of around 150-160m units. It is growing faster than the overall global smartphone market

India has been incentivising domestic assembly and manufacturers by imposing duties on imported mobiles. India has been using a differential duty structure since 2015-16, which has been extended to the component level via its Phased Manufacturing Programme (PMP). The Ministry of Electronics and Information Technology (MeitY) in April 2017 introduced a Phased Manufacturing Programme (PMP) with the objective of reducing India's import dependency and increase domestic value addition. The approach was for import substitution by putting custom duties on parts and components to incentivise first assembly and progressively increase component localisation

In 2020 government has also launched Production Linked Incentives (PLI) Scheme for mobile phone to boost the mobile phone manufacturing in India. The government plans to provide incentives of up to ₹ 41,000 Crores over the next 5 years. Most global mobile players are looking at India as a regional hub for manufacturing and sales to cater not only India market but also for export markets.

Domestic companies are incentivized better for mobile phones in less than ₹ 15,000 category (ex-factory prices) with a capex investment of ₹ 200 Crores over 4 years. It opens up lot of opportunities for Dixon in the less than ₹ 15000 space.

On 1 April 2020, India instituted a production-linked incentive scheme for large scale electronics manufacturing. The scheme proposes production-linked incentives to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including assembly, testing, marking and packaging (ATMP) units. The scheme will extend incentives of 4% to 6% on incremental sales over the base year for goods manufactured in India and covered under target segments to eligible companies for a period of five years starting FY 20-21.

The proposed scheme is likely to benefit global & domestic players in the field of mobile manufacturing and specified electronics components and bring large-scale electronics manufacturing into India.

The company has applied for two applications & will be investing in the PLI scheme of mobile phones & expand capacity.

Mobile phone segment contributed 12% in overall company revenue in FY 19-20, The Revenue for FY 19-20 was ₹ 537 Crores as against ₹ 355 Crores in the same period of last year. The operating profits of the segment was ₹ 19 Crores against ₹ 7.4 Crores same period of last year.

The major customers in this segment are Samsung, LG, Gionee, Panasonic, Karbonn etc

Security Systems

The Indian Security Industry is consistently growing and expanding with opportunities emanating from the government and private sector verticals. The key drivers of this growth are increase in organized real estate sector, rise in threat perception, growing crime rates, data thefts, remote monitoring, growth of public infrastructure. Growth would be aided due to government initiatives leading to rise in demand for security equipment. Public safety has emerged as an important function for Governments. As cities continue to grow, security surveillance becomes the primary tool to monitor population movement and to fight crime as well.

The company entered into Security surveillance system in 2017 through a JV with Aditya Infotech Ltd for manufacturing of security devices including CCTV, IP Cameras & DVR. "CP Plus", trademark owned by Aditya Infotech Ltd is one of the leading industry players with a market share of approx. 24%

This segment contributed 5% of total company revenue in FY 19-20. The revenue was ₹ 216 Crores with an operating profit of 7.2 Crores in FY 19-20.

Reverse Logistics

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

Set Top Boxes

Set Top boxes is new line of business & is emerging will start contributing significant portion to the company revenues & Profitability starting FY 20-21. The company is manufacturing Set Top Boxes for leading set top box brands.

MOU already signed with Molbio for manufacturing of Truelab™ Quattro Real Time Quantitative micro PCR Analyzer machines.

Medical Electronics

The company has also forayed into Medical electronics vertical. MOU already signed with Molbio for manufacturing of Truelab™ Quattro Real Time Quantitative micro PCR Analyzer machines. This portable technology driven machines are capable of performing multiple tests per day of critical infectious diseases including Covid-19 & will be manufactured at our Tirupati plant. It was recently validated and approved by Indian Council of Medical Research (ICMR) to conduct Covid-19 tests. There is a strong demand for this machines from Govt hospitals, private diagnostic laboratories & Global Markets

SWOT Analysis

Strengths

- **Experienced and Efficient Top Management**

  The top management at Dixon has along with them extensive industry and management experience. This has allowed the company to have a unique idea of the complexities involved in the business. An experienced and efficient senior management team allows the company to capture the market opportunities at right time, formulate and execute required business strategy, handle expectations of different clients, and manage the challenges posed by a dynamic environment.

- **Flexible and cost-effective manufacturing capabilities**

  The company has successfully served products as per client requirements along with increased efficiency in cost, time, quality of the product, and scale in manufacturing processes. The company maintains flexibility at its plants by ways such as multiple-function training and standardization of the equipment. Various cost-effective solutions adopted by the company, helps it to sell products or prices which are competitive in nature.

- **End to End Solutions Provider**

  The company which started as a colored television manufacturer has grown with time in terms of product portfolio, customer base, and technological expertise in designing and manufacturing of consumer durables and lighting products. Being an end-to-end solutions provider helped the company to satisfy its customers, promote customer loyalty and thus get repeat sales.

- **Strong relationships with a diverse top-tier customer base**

  The company's major customers are well respected players in one or more product categories offered by them. The company has long-standing relationships with well-known customers across product verticals. Strong customer base will be a strong driver of the Company's future growth and help expand market share, develop new products and enter newer markets.

SWOT Analysis

Weakness

- **Fluctuation in overall margin**

  The company earns a comparatively higher margin in one business segment than the other. A change in product mix thus can lead to a change in margin of the company. Thus, the company is more dependent on a particular product to earn higher margins than on other products.

- **Dependent on key customers**

  Dixon has entered into contracts with various companies as its main customers from different verticals. A problem with any of the customers can lead to a huge fall in profit for the company.

Opportunities

- Low penetration - India till now has an electronic industry which has low penetration. This works as an opportunity to manifold its strong business growth prospects. Identifying the right opportunity at the right time can help the company grow its profits.

Threats

- Change in Tax rate- Introduction of GST had largely affected the electronics industry of India. An increase in the customs duty for any of the raw materials will also increase the cost of production. Thus, a huge change in tax rate or customs duty can have a negative effect on the electronics industry.

Research Development

The Research & Development (R&D) center of Dixon concentrates on R&D for electronics hardware designing, system architecture, mechanical design, component engineering and optics design. It also gives its customers design enhancement and verification. The R&D center in Noida is equipped with latest technologies such as photometric system for light source and color analyzers. The company also has a R&D Center for washing Machine in Dehradun.

R&D team of the company aims at providing techniques and measures to improve manufacturing efficiency on existing products. Improvement of efficiency is to be in an effective way that leads to cost reduction. The company has won various awards for its R&D facilities such as Development Excellence Award (semi-automatic washing machine) in 2016 from Panasonic India Private Limited. The company also received recognition for its R&D center in Noida from Department of Scientific and Industrial Research.

Segment Overview & Financial Overview

Verticals	Product/Services	Revenue
Consumer Electronics	LED TVs, AC PCB	76% YoY growth from 1,194 Crores in FY 18-19 to 2,095 Crores in FY 19-20
Home Appliance	Washing Machines	6% YoY growth from 374 Crores in FY 18-19 to 396 Crores in FY 19-20
Lighting Products	LED Products, Ballast, LED Drivers, Batten, DECO	24% YoY growth from 919 Crores in FY 18-19 to 1,140 Crores in FY 19-20
Mobile Phones	Feature Phones, Smart Phones and PCB for Mobile Phones	51% YoY growth from 355 Crores in FY 18-19 to 537 Crores in FY 19-20
Reverse Logistics	Repair Services	-48% YoY growth from 30 Crores in FY 18-19 to 16 Crores in FY 19-20
Security Systems	CCTV camera and Digital Video Recorders (DVRs)	93% YoY growth from 112 Crores in FY 18-19 to 216 Crores in FY 19-20

Financial Overview

Particulars	FY 20	FY19
Total Income (₹ Crore)*	4405	2990
EBITDA (₹ Crore)*	228	140
PAT (₹ Crore)*	121	63
Net Debt equity ratio**	(0.02)	0.32
Interest Coverage Ratio#	5.48	4.75
Current Ratio##	1.21	1.15
Debtors turnover days!	49	59
Inventory turnover days!!	43	51
Operating Profit Margin^	5.1%	4.5%
Net Profit Margin^^	2.7%	2.1%
Return on Net worth^!	26.2%	18.3%

**(Long term borrowing + short term borrowing + current maturities less current investment, cash and bank balance)/ Total Equity

#Finance cost/ EBIT

##Current assets/ current liabilities

!Average receivables/ income from operations x 365 days

!!Average Inventory/ Cost of goods sold x 365 days

^Operating profit/Income from operation

^^PAT/Income from operation

^!Net Profit / Average Shareholder fund

Reason for variance (>25%)

*Robust Revenue, EBITDA, & PAT growth mainly due to strong performance across all verticals, supported by strong customer addition and robust volume growth

**Negative Net debt to equity on account of strong earning expansion, working capital efficiencies & disciplined investment

^!Return on Net worth (RONW) for 2019-20 was higher mainly on account of robust growth of net profit in FY 2019-20 as against same period last year

ODM % share in Revenue

Years	Consumer electronics	Lighting Products	Home Appliances
FY 2020	6%	87%	100%
FY 2019	9%	71%	100%
FY 2018	6%	40%	100%
FY 2017	12%	45%	100%
FY 2016	4%	40%	100%

Risk Mitigation

Globalization Risk

Risk	Mitigation
The electronics industry of India faces tough competition by the electronic goods imported from China. Cheap imports from China will further pose a challenge in front of the electronics industry.	Dixon has installed measures which leads to a cost-effective way of production. Moreover, the company's aim to emerge as a cost-efficient player and attain cost leadership will help it mitigate any global economic risks.

Experience

Risk	Mitigation
Experience matters the most when it comes to identifying the right opportunities for business of the company. It is also important to work in a direction that will help to capture the opportunity available.	The company is in the electronics business since 1993, thus having an experience of over 25 years. Company's senior management has an average experience of more than 20 years in the industry. This allows the company to capture the right opportunities at right time.

Industry Risk

Risk	Mitigation
Industry risk is when the industry has a whole may reach at a stagnant or declining position. This risk will not only affect a particular company but it will also affect the industry in which company deals in.	Dixon is in the industry of electronics. With rise in standard of living of people, and a change in lifestyle electronics industry is expected to grow in the years to come. The industry may face a change in preference but it will never cease to exist.

Client Concentration Risk

Risk	Mitigation
Depending on limited number of clients for a majority share of the revenue poses a risk to the company. This risk is in terms of the fact that company may lose any of its key customers or a problem in the customer's business may affect the company as well.	Dixon has successfully maintained a strong relationship with its key customers. Some of its customers are connected with the company since last 10-12 years. Also, Dixon is constantly expanding its customer base which will help it to deal with this risk.

Regulatory Risk

Risk	Mitigation
The business in which Dixon deals in, requires the company to obtain or renew permits and licenses in a timely manner. The failure to do so may poses a risk to the company's revenue.	The company has made it sure to obtain or renew its licenses, permits, consents, and approvals from the government. This is being done in a manner so that Dixon's approvals are not delayed and thus there is no effect on the operations of company.

Technology Risk

Risk	Mitigation
The business in which Dixon deals in is affected with rapid change in technology. The company has to adopt dynamic changes in technology under electronics industry. The company has to be up to date with the rapidly changing technologies.	The company has always moved ahead with changing technology. Its R&D centers is equipped with the latest technology. Moreover, the company has expanded its product portfolio along with a change in technology in the market. For example, the company is planning to launch fully automatic washing machines to be in line with the change in technology.

Internal Control System

The Company has an effective and reliable internal control system commensurate with the size of its operations. At the same time, it adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by self-audits and internal as well as statutory auditors.

Human Resource

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

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance

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

a. Timely disclosures of all the material information pertaining to corporate, finance and operations to stakeholders.

b. Adoption of statutory policies and compliance thereof in true letter and spirit

c. Regular and timely meetings of various committees of the Board viz. Audit, Nomination & Remuneration Committee, Stakeholders Relationship, Corporate Social Responsibility, Risk Management Committee.

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

e. A day long strategy meeting wherein all Business Heads present their strategy and annual operational plans before the Board to give them perspective and strategy of their businesses.

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

g. Rolled out Director's handbook with an aim to help the Directors to attain and maintain a high standard of governance.

Your Company has complied with the governance requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and hereby presents the Corporate Governance Report for the financial year ended 31st March, 2020.

This Corporate Governance Report outlines the key aspects of the Company's governance framework and governance practices which are consistent with the SEBI Listing Regulations and other rules and regulations. Details of the key policies and practices are available on the Company's website at www.dixoninfo.com.

Board of Directors

Company's Board of Directors ("Board") shapes the long-term vision and policy approach to steadily elevate the quality of governance in the Company. The objective is to emerge as a market leader in Electronic Manufacturing Industry with focus on creating greater value for all those who have a stake in the Company.

Composition and Category of Board of Directors as on 31st March, 2020

In line with the applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force (hereinafter referred to as "**the Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company's Board has an optimum combination of Executive and Non-Executive Directors with more than half of the Board comprising Independent Directors.

SIZE AND COMPOSITION OF BOARD

Category	Name of Director	Age
Promoter and Executive Director	Mr. Sunil Vachani	51 years
Executive Director	Mr. Atul B. Lall	58 years
Independent Directors/ Non-Executive Directors	Ms. Poornima Shenoy	55 years
	Dr. Manuji Zarabi	72 years
	Mr. Manoj Maheshwari	54 years
	Mr. Keng Tsung Kuo	61 years

Attendance of Directors at Board Meeting(s) as on 31st March, 2020

During the period under review, 7 (seven) Board meetings were held on 12th April, 2019, 20th April, 2019, 24th May, 2019, 13th August, 2019, 13th November, 2019 and 29th January, 2020 and 18th March, 2020 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, 2020:

Name of Director	No. of Board Meeting attended during the year	Attendance at last Annual General Meeting	Number of Shares held in the Company	No. of Other Directors-hips	Name of the Listed entities where person is Director and category of Directorship	No. of Membership('s) / Chairmanship('s) Of Board Committees in other Companies^	
						Chairperson	Member
Mr. Sunil Vachani	5	Present	40,11,208	3	Dixon Technologies (India) Limited-Wholetime Director	Nil	Nil
Mr. Atul B. Lall	6	Present	4,66,667	2	Dixon Technologies (India) Limited-Managing Director	Nil	Nil
Dr. Manuji Zarabi	7	Present	Nil	4	Dixon Technologies (India) Limited-Independent Director	Nil	Nil
Ms. Poornima Shenoy	4	Present	Nil	3	Dixon Technologies (India) Limited-Independent Director	Nil	1
Mr. Manoj Maheshwari	6	Present	Nil	2	Dixon Technologies (India) Limited-Independent Director	Nil	Nil
Mr. Keng Tsung Kuo	5	Present	Nil	2	Dixon Technologies (India) Limited-Independent Director	Nil	Nil

^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.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors of your Company's Board hold the office of Director in more than 20 companies, including 10 public companies.

As mandated by the Regulation 26 of the SEBI Listing Regulations, none of the Directors of your Company are members of more than ten Board level committees in public companies nor are they Chairman of more than five committees in listed companies where they are directors.

Inter-se Relationship among Directors

None of the Directors are related with other Directors of the Company.

Independent Directors

Your Company has a policy on Independent Directors, their roles, responsibilities and duties. The same are consistent with the SEBI Listing Regulations and Section 149 of the Act. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment which can be accessed at https://dixoninfo.com/json/dixon/codes-policy/Terms%20of%20appointment%20of%20Independent%20Directors.pdf .The Independent Directors of your company fulfill the criteria of Independence as specified in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149 of the Act and rules made thereunder and they are independent of the Management of the Board.

Independent Directors Databank Registration

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all Independent directors of the Company have completed the registration with the Independent Directors Databank. Requisite confirmations have been received from the Independent directors in this regard.

Independent Directors Meeting

None of the Independent Directors serve as Independent Director in more than 7 listed entities and in case of whole-time directors in any listed entity, they do not serve as Independent Directors in more than 3 listed entities. Pursuant to Section 149(8) read together with Schedule IV of the Act and Regulation 25(3) and 25(4) of SEBI Listing Regulations, separate meeting of Independent Directors was held on 18th March, 2020 to review the performance of the Non-Independent Directors including the Chairman of the Board and performance of the Board as a whole. Independent directors of your Company were present at the said meeting.

Directors' Induction and Familiarization Programmes

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with your Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of your Company and business strategy. Visits to various plant locations are organised for the Independent Directors to enable them to understand the operations of your Company.

Details of Familiarization programme imparted to Independent Directors is available at the following weblink: https://dixoninfo.com/json/dixon/codes-policy/code-for-independent-director-and-familiarization-programme.pdf

Also, the Corporate Affairs Department of your Company rolled out "Directors' Handbook" with an aim to familiarize the new Director(s) of your Company with the Business and functions of your Company. The said Handbook comprehensively covers Directors' role, responsibilities, duties and liabilities amongst others. This Handbook has been designed with an aim to help the Directors to attain and maintain a high standard of governance.

Chart or Matrix setting out skills / expertise/competence of the Board of Directors

The Board of your Company comprises of such individuals who bring in requisite skills, qualification, expertise and competence which is required on the Board and on Committees.

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

Sl. No	Name of Board Member	Nature of Appointment	Qualification	Experience	Area of Skill/expertise/Competence
1.	Mr. Sunil Vachani	Whole Time Director & Executive Chairman	Associate of Applied Arts in Business Administrations	Over 28 years experience in the EMS industry	i. Strategy and Planning ii. Policy development iii. Identification of Risk iv. Government relations v. Marketing and Communication vi. Business Experience vii. Technology/ Digital skills/R & D viii. Experience in Electronic Industry ix. Identification of Challenges and providing solutions
2.	Mr. Atul B. Lall	Managing Director	Master's Degree in Management Studies from the Birla Institute of Technology and Science, Pilani	Nearly three decades of experience in the EMS industry	i. Strategy and Planning ii. Policy development iii. Application of Corporate Governance principles iv. Identification of Risk v. Marketing and Communication vi. Business Experience vii. Technology / Digital skills/R & D viii. Experience in Electronic Industry ix. Identification of Challenges and providing solutions
3.	Mr. Manoj Maheshwari	Non-Executive & Independent Director	CA,CS, Post Graduate Diploma in Business Administration	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.	i. Strategy and Planning ii. Application of Corporate Governance principles iii. Identification of Risk iv. Qualification and Experience in accounting and/or finance v. Identification of challenges and providing solutions
4.	Dr. Manuji Zarabi	Non-Executive & Independent Director	Doctor of Philosophy from the Indian Institute of Science, Bangalore	He has over 29 years of experience 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.	i. Government relations ii. Technology / Digital Skills/ R & D iii. Expertise in Electronic Industry

Sl. No	Name of Board Member	Nature of Appointment	Qualification	Experience	Area of Skill/expertise/Competence
5.	Ms. Poornima Shenoy	Non-Executive & Independent Director	a) BA from Bangalore University and MBA from TAPMI, Manipal b) British Chevening Scholar for Women in Leadership and Management from the University of Bradford and c) Management Development Program at the University of Michigan at Ann Arbor.	Serial entrepreneur and an industry veteran and has 33 years of experience .	i. Strategy and Planning ii. Business experience iii. Application of corporate governance principles iv. Marketing and Communications
6.	Mr. Keng Tsung Kuo	Non-Executive & Independent Director	a) Master of Electrical Engineering from National Taiwan University b) Executive MBA from National Taiwan University	Over 30 years of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management.	i) Strategy and planning ii) Policy Development iii) Identification of Risk iv) Marketing & Communication v) Business experience vi) Technology / Digital Skills/ R & D vii) Expertise in Electronic Industry viii) Identification of challenges and providing solutions

The skill areas in the matrix will be reviewed timely by the Board to ensure that the composition of skills on the Board remains aligned with Company's stage of development and strategic direction.

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

Committees of the Board

The Board Committees play a crucial role in the governance structure of your Company and have been constituted to deal with specific areas / activities which concern your Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice.

The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

Details of the Board Committees and other related information are provided hereunder:

A Audit Committee

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the Integrity of your Company's Financial Statements; Adequacy & reliability of the Internal Control Systems of your Company; Compliance with legal & regulatory requirements and your Company's Code of Conduct; Performance of your Company's Statutory & Internal Auditors.

Audit Committee monitors and provides an effective supervision of the financial reporting process of your Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations. The Audit Committee discharges such duties and functions as generally indicated under Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, prescribed under the Act and such other functions as may be specifically assigned to it by the Board from time to time.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 31st July, 2019.

Composition, Meetings and Attendance during the Year

All the members of the Committee are Independent Directors. The composition of the Committee is in line with the requirements of section 177 of the Act and the SEBI Listing Regulations. Mr. Manoj Maheshwari, Chairman of the Committee has accounting and financial management expertise. All the Committee members possess sound knowledge of accounts, finance, audit, governance and legal matters. Senior officials from the Accounts /Finance Department and representatives of Statutory and Internal Auditors are also invited to attend Audit Committee meetings.

During the financial year 2019-20, 5 (Five) meetings of the Audit Committee were held on 24th May, 2019, 13th August, 2019, 13th November, 2019, 29th January, 2020 and 18th March, 2020. 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, 2020:

Name of Director	Position in the Committee	Designation	Audit Committee Meetings entitled to attend	Meetings Attended
Mr. Manoj Maheshwari	Chairman	Independent Director	5	4
Ms. Poornima Shenoy	Member	Independent Director	5	2
Dr. Manuji Zarabi	Member	Independent Director	5	5

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

Brief Description of Terms of Reference

The roles and responsibilities of the Audit Committee, inter alia, include the following:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommending to the Board the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;

3. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;

4. Reviewing the utilization of loans and/or advances from/investment by the holding company in subsidiary company exceeding ₹ 100 Crores or 10% of asset size of subsidiary, whichever is lower.

B Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") has been vested with the authority to, inter alia, recommend nominations for Board membership, develop and recommend policies with respect to Board diversity; developing a succession plan for our Board and senior management.

The Role and the terms of reference of the NRC are in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations.

The Chairperson of the NRC Committee was present at the last Annual General Meeting held on 31st July, 2019.

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 2019-20, 4 (four) meetings of the NRC were held on 12th April, 2019, 24th May, 2019, 13th August, 2019 and 13th November, 2019. 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, 2020

Name of Director	Position in the Committee	Designation	Nomination and Remuneration Committee Meetings entitled to attend	Meetings Attended
Ms. Poornima Shenoy	Chairperson	Independent Director	4	2
Mr. Manoj Maheshwari	Member	Independent Director	4	3
Dr. Manuji Zarabi	Member	Independent Director	4	4
Mr. Sunil Vachani	Member	Executive Chairman	4	3

The Company Secretary of your Company acts as the Secretary to NRC.

Brief Description of Terms of Reference

Terms of reference of the NRC, inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Reviewing the terms and conditions of services including remuneration in respect of managing director and submitting their recommendations to the Board;
3. Formulation of criteria for evaluation of performance of independent directors and the Board;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board, their appointment and removal and shall carry out evaluation of every director's performance;
5. Recommend to the Board, all remuneration, in whatever form, payable to the senior Management.
6. Whether to extend or continue the term of appointment of ID on the basis of performance evaluation.

Board Evaluation Process

Your Company believes that an effective governance framework requires periodic evaluation of the functioning of the Board as a whole, its committees and individual director's performance evaluation. Keeping this belief in mind, your Company on the recommendation of the NRC has established the Performance Evaluation criteria for the:

a. The Board as a whole including its Committees;

b. Chairperson of the Board and

c. Individual Directors as required under the Act and provisions of SEBI Listing Regulations.

As part of the evaluation process:

1. Pursuant to provisions of the Act, the NRC recommended that Board shall undertake the Performance Evaluation of Board, its committees and Individual Directors;
2. Accordingly, the Board holds a meeting, annually, to discuss and evaluate the performance of the Board as a whole, its committees and Individual Directors and thereon identify changes, if any, to further enhance its effectiveness.
3. The Board arranges to carry out a confidential process of performance evaluation of every Director by the entire Board of Directors excluding the Director being evaluated.
4. The Independent Directors hold at least one meeting in a year to review performance of Chairman, Executive Directors and the Board as a whole.

Further, the performance of the Independent Directors is evaluated considering their understanding of the business and operational functioning of the organization, their industry experience and their involvement in the business.

C Stakeholders' Relationship Committee:

The Board has constituted Stakeholder's Relationship Committee pursuant to Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations to look into the redressal of grievances of shareholders and other security holders, if any. The Committee overseas the resolution of grievances of the security holders of your Company including complaints related to transfer of shares, non-receipt of annual report or non- receipt of declared dividends.

Composition, Meetings and Attendance during the Year

The Composition of the Stakaholder Relationship Committee is in line with the requirements of section 178 of the Act and the SEBI Listing Regulations. During the financial year under review, 4 (four) meetings of the Stakeholder's Relationship Committee were held on 24th May, 2019, 13th August, 2019, 13th November, 2019 and 29th January, 2020. 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, 2020

Name of Director	Position in the Committee	Designation	Stakeholder's Relationship Committee Meetings entitled to attend	Meetings Attended
Dr. Manuji Zarabi	Chairman	Independent Director	4	4
Mr. Sunil Vachani	Member	Executive Chairman	4	3
Mr. Atul B.Lall	Member	Managing Director	4	3

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 2019-20

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

Particulars	Number of Complaints
Investor queries/complaints pending at the beginning of the Year -1st April, 2019	0
Investor queries/complaints received during the Year	36
Investor queries/complaints disposed of during the Year	36
Investor queries/complaints remaining unresolved at the end of Year - 31st March, 2020	0

Details of the Compliance officer of your Company:

Name: Mr. Ashish Kumar

Designation: Group CS, Head-Legal & HR

E-mail id: investorrelations@dixoninfo.com

D Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in accordance with the requirements of the Act. The Committee recommends the Corporate Social Responsibility projects to be undertaken by the Company and also monitors its implementation status.

Composition, Meetings and Attendance during the Year

The Corporate Social Responsibility Committee has been constituted as per the provisions of the Act. During the Financial Year 2019-20, 4 (four) meetings of the Committee were held on 24th May, 2019, 13th August, 2019, 13th November, 2019 and 29th January, 2020. 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, 2020:

Name of Director	Position in the Committee	Designation	Corporate Social Responsibility Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Chairman	Executive Chairman	4	3
Dr. Manuji Zarabi	Member	Independent Director	4	4
Mr. Atul B. Lall	Member	Managing Director	4	3

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

Brief description of terms of reference

Terms of Reference of Corporate Social Responsibility Committee, inter alia, include the following:

(a) Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;

(b) Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;

(c) Monitoring the corporate social responsibility policy by instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company from time to time;

(d) Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions;

E Risk Management Committee

The provisions of Regulation 21 of the SEBI Listing Regulations became applicable on your Company w.e.f. 1st April, 2019. Therefore, the Board of Directors had constituted Risk Management Committee at its Meeting held on 24th May, 2019 to identify elements of Risk in different areas of operations and to develop plans to mitigate the risks.

Composition, Meetings and Attendance during the Year

Composition of the Committee is in line with the requirements of Regulation 21 of SEBI Listing Regulations. During the financial year under review, 1 (one) meeting of the Risk Management Committee was held on 28th January, 2020.

Mr. Atul B. Lall, Managing Director of your Company is Chairman of the said Committee. Mr. Manoj Maheshwari and Mr. Keng Tsung Kuo, Independent Directors are members of the said Risk Management Committee. Mr. Atul B. Lall and Mr. Manoj Maheshwari attended the said meeting held on 28th January, 2020 and Mr. Keng Tsung Kuo was granted leave of absence.

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

F Executive Committee

The Board has constituted the Executive Committee which undertakes matters related to day to day affairs of your Company. The composition of the Executive Committee is as follows:

Details of composition of Executive Committee as on 31st March, 2020:

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

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 to recommend to the Board allotment of shares, in one or more tranches, to the employees of the Company pursuant to exercise of the options vested with them in accordance with the DIXON ESOP 2018. During the year under review, 3 (Three) Meetings of the Share Allotment Committee were held on 14th November, 2019, 19th November, 2019 and 9th December, 2019.

Details of Share Allotment Committee Meetings held during the financial year ended as on 31st March, 2020:

Name of Director	Position in the Committee	Designation	Share Allotment Committee Meetings entitled to attend	Meetings Attended
Mr. Sunil Vachani	Member	Executive Chairman	3	3
Dr. Manuji Zarabi	Member	Independent Director	3	1
Mr. Atul B. Lall	Member	Managing Director	3	3
Mr. Manoj Maheshwari	Member	Independent Director	3	3

Remuneration of Directors

Remuneration Policy

Your Company has a well-defined policy for remuneration of the Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and SEBI Listing Regulations. The policy can be accessed at the following Link: https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy.pdf . The elements of remuneration package of Executive Directors includes fixed and variable salary, Commission, contribution to provident fund, perquisites and allowances, reimbursement of expenses etc. Independent Directors are paid remuneration in the form of sitting fee and one time commission.

Remuneration to Non-Executive and Independent Directors

Remuneration to Non-Executive and Independent Directors for the financial year 2019-20 was as under:

Details of remuneration to Non- Executive and Independent Directors

(₹ in Lakhs)

NAME OF THE NON-EXECUTIVE DIRECTOR	SITTING FEE	COMMISSION	TOTAL
Mr. Keng Tsung Kuo	1.00	0.00	1.00
Dr. Manuji Zarabi	3.20	5.00	8.20
Ms. Poornima Shenoy	1.20	5.00	6.20
Mr. Manoj Maheshwari	2.30	5.00	7.30
Total	7.70	15.00	22.70

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 2019-20 other than the remuneration as detailed above.

The Criteria for making payments to Non-Executive Directors is adopted by the Company and the same is available on the website of the Company at https://dixoninfo.com/json/dixon/codes-policy/nomination-and-remuneration-policy.pdf

During the year 2019-20, the Non- Executive Directors of the Company had no pecuniary relationship or transactions with your Company.

Remuneration to Executive Directors

The shareholders at the Extra-Ordinary General meeting held on 5th May, 2017 appointed Mr. Sunil Vachani, Executive Chairman of your Company as the Whole Time Director, liable to retire by rotation for a period of five years effective 5th

May, 2017 on certain terms and conditions including remuneration. The remuneration includes fixed and variable salary, Commission (if any), contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc. as applicable to the employees of your Company.

At the said meeting dated 5th May, 2017, Mr. Atul B. Lall was re-appointed as Managing Director for a period of five years effective 5th May, 2017, liable to retire by rotation by the shareholders on certain terms and conditions including his remuneration comprising of fixed and variable salary, Commission (if any), contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc. as applicable to the employees of your Company. The details of remuneration paid to each of the Directors during the year ended 31st March, 2020 are given below:

Details of Remuneration of Directors:

(₹ in Lakhs)

Name of Director	Fixed Salary				Bonus / Performance Linked Incentive	Sitting Fee	Commission	Stock Options	Total
	Basic Salary and allowances	Perquisites	Others	Total Fixed Salary					
Mr. Sunil Vachani	221.32	0.00	21.28	242.60	0.00	0	257.40	0	500.00
Mr. Atul B. Lall	159.49	0.00	18.80	178.29	0.00	0	284.00	0	462.29

Notes:

(1) The amount of Commission is calculated on the profits of Financial Year ended 31st March, 2020 as per the Financial Statements thereto and the same shall be paid during the Financial Year ending 31st March, 2021.

(2) The Commission calculated on the profits of Financial Year ended 31st March, 2019 as per the Financial Statements thereto was paid by the Company during the Financial Year ended 31st March, 2020 which was ₹ 123.10 and ₹ 123.10 for Mr. Sunil Vachani and Mr. Atul B Lall, respectively.

No Stock Options were granted to Executive / Non-Executive Directors during the Financial Year 2019-20.

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
2016-17	08th August, 2017 at 11.00 a.m.	B-14 & 15, Phase-II Noida, Gautam Buddha Nagar, UP 201305	Nil
2017-18	25th July, 2018 at 03.00 P.M.	International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301	a. Authorisation to Board under Section 180(1)(c) b. Authorisation to Board under Section 180(1)(a) c. Approval of Inter-corporate loans, Investments, Guarantee or security and acquisition d. Approval of Dixon Technologies (India) Limited - Employee Stock Option Plan- 2018 ("Dixon ESOP 2018")

Financial Year	Date and Time	Venue	Special Resolution Passed
			e. Grant of Stock options to the employees of subsidiary companies under Dixon Technologies (India) Limited - Employee Stock Option Plan- 2018 ("Dixon ESOP 2018") f. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013
2018-19	31st July, 2019 at 11.00 A.M.	International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301	a. Re-Appointment of Mr. Manoj Maheshwari (DIN: 02581704) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 3rd May, 2020. b. Re-Appointment of Dr. Manuji Zarabi (DIN: 00648928) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 23rd February, 2020. c. Re-Appointment of Ms. Poornima Shenoy (DIN: 02270175) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 23rd February, 2020

Special Resolutions passed through Postal Ballot

No special resolution was passed through postal ballot during FY 2019-20. Further, no special resolution is proposed to be conducted through Postal ballot, as on date of this Report.

Procedure for E-voting

In compliance with the provisions of Sections 108 of the Act, read with applicable rules, your Company provides electronic voting (e-voting) facility to all its members. Your Company engages the services of KFin Technologies Private Limited for the purpose of providing e-voting facility to all its members. Members can refer E-voting instructions provided in the Notice of Annual General Meeting. Members whose names appear on the register of members as on cut-off date i.e. 22nd September, 2020 shall be eligible to participate in the e-voting.

Participation and voting at 27th Annual General Meeting

Pursuant to the General Circular numbers, 14/2020, 17/2020, 20/2020 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by SEBI, the 27th 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 27th Annual General Meeting.

Extra-Ordinary General Body Meetings (including adjourned Meetings) during the FY 2019-20

Nil

Means of Communication

Results

The Quarterly and Half-yearly/Annual financial results are forthwith communicated to the BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE"), (both BSE and NSE are collectively referred as the "Stock Exchanges") where the shares of your Company are listed, as soon as they are approved and taken on record by the Board of Directors. Additionally your Company's quarterly/half yearly/ annual financial results are simultaneously published in 'Business Standard- English and Hindi' in accordance with SEBI Listing Regulations. Also they are also put up on your Company's website at www.dixoninfo.com.

The details of announcements of Quarterly results by your Company during the FY 2019-20 are as follows:

Quarter ended	Date of Board Meeting where Quarterly results were approved	Date of Publishing in Newspaper (English And Hindi)
30th June, 2019	13th August, 2019	14th August, 2019
30th September, 2019	13th November, 2019	14th November, 2019
31st December, 2019	29th January, 2020	30th January, 2020
31st March, 2020	11th June, 2020	12th June, 2020 (proposed)

Website:

Your Company's website contains a separate dedicated section 'Investors' where shareholders' information and official news releases pertaining to financial results etc., are available. Your Company's Annual Report is also available in downloadable form on the website of your Company www.dixoninfo.com.

Presentations made to Institutional Investors or to the Analysts

Your Company hosts a quarterly conference call post declaration of quarterly/half yearly/annual results of your Company, along with the discussion on the performance of the different business divisions of your Company. This is followed by the question and answer session by the analysts/ investors logged into the conference call. Presentations made, if any, to the Institutional Investors/Analysts are hosted on the website of your Company, along with the Transcripts of the Investor/ Analysts Calls/Meets hosted by your Company.

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

General Shareholder Information

Annual General Meeting

Day and Date : Tuesday, 29th September, 2020

Time : 03:00 P.M.

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

E-Voting dates: 26st September, 2020 to 28th September, 2020

Financial Year

1st April, 2019 – 31st March, 2020

Tentative Financial Calendar – for the Financial Year ending 31st March, 2021

Quarterly Results for the Quarters ending 30th June, 2020, 30th September, 2020, 31st December, 2020, 31st March, 2021 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 2020-21 will tentatively held between April-September, 2021. The Financial Results/statements for the FY 2020-21 will be published in Newspapers alongwith intimation to Stock Exchanges, BSE and NSE. Additionally, the same will be posted on the website of your Company at www.dixoninfo.com.

Book Closure

The dates of book closure are from 23rd September, 2020 to 29th September, 2020 , inclusive of both days.

Dividend Policy and Dividend details

The Company has adopted Dividend Distribution Policy of your Company in terms of the requirement, of SEBI Listing Regulations. The Policy is available on the website of the Company under the weblink: https://dixoninfo.com/json/dixon/codes-policy/dividend-distribution-policy.pdf

The Board of Directors of the Company at their meeting held on 18th March, 2020 declared an Interim Divided @ 40% of the paid up equity share capital of the Company i.e. ₹ 4/- per Equity share of ₹ 10/- each. The said dividend was paid to all the shareholders as on 26th March, 2020 i.e. Record date as per the provisions of the Companies Act, 2013 and rules made there under.

Transfer to Investor Education & Protection Fund

During the year, your Company was not required to transfer any amount to the Investor Education and Protection Fund.

Listing Details

At present, the equity shares of your company are listed on NSE Limited and BSE Limited . The annual listing fees for the Financial Year 2020-21 to BSE and NSE has been paid.

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

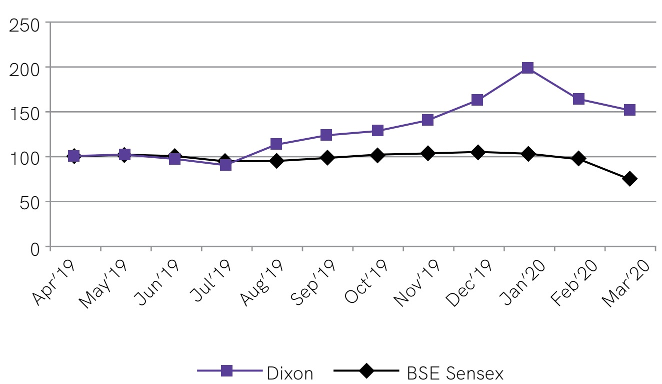
Market price data, during each month

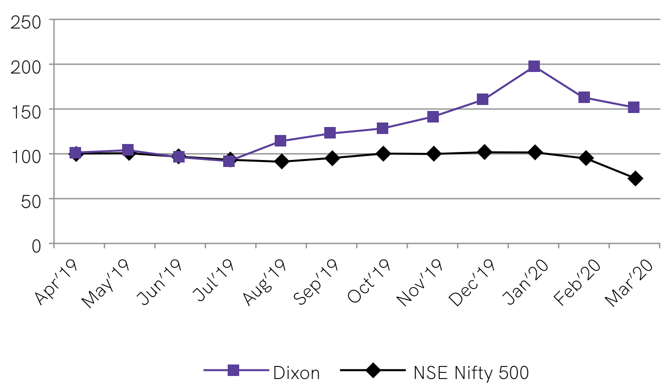
Month	BSE Sensex		NSE Nifty 500	
	High	Low	High	Low
April'19	39,487.45	38,460.25	9,826.45	9,577
May'19	40,124.96	36,956.10	9,889.30	9,108.45
June'19	40,312.07	38,870.96	9,941.45	9,476.1
July'19	40,032.41	37,128.26	9,805.3	8,928
August'19	37,807.55	36,102.35	9,103.1	8,628.35
September'19	39,441.12	35,987.80	9,552.25	8,738.65
October'19	40,392.22	37,415.83	9,733.35	9,008.85
November'19	41,163.79	40,014.23	9,874.9	9,596.85
December'19	41,809.96	40,135.37	9,946.05	9,574.85
January'20	42,273.87	40,476.55	10,175	9,700.35
February'20	41,709.30	38,219.97	1,0071.7	9214.1
March'20	39,083.17	25,638.90	9,436.5	6151.6

Stock Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
April'19	2,485	2,233	2,485	2,285
May'19	2,518.6	2,179.05	2,519.65	2,171.05
June'19	2,477.3	2,056.25	2,474.85	2,055.55
July'19	2,387.75	1,981.15	2,397.00	1,981.10
August'19	2,790	1,830.9	2,800.00	1,560.00
September'19	2,978.7	2,433.2	2,979.95	2,430.00
October'19	3,230.1	2,809.5	3,232.00	2,840.00
November'19	3,397.4	2,671	3,398.00	2,662.55
December'19	4,049.5	3,250.35	4,055.00	3,250.00
January'20	4,715	3,776.5	4,719.95	3,770.00
February'20	4,899	3,765	4,895.00	3,762.00
March'20	4,550	2,899.95	4,545.00	2,990.60

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 Private Limited having its office at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500032, India.

Share transfer system

Share Transfers in physical form are registered by the RTA immediately on receipt, subject to documents being valid and complete in all respects and certificates are issued within 15 days of date of lodgement of transfer. All requests for dematerialization/rematerialisation of shares are processed generally within 21 days.

Distribution of Shareholding by size as on 31st March, 2020

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	38,162	99.351748	570,728	5,707,280	4.932766
5001- 10000	75	0.195257	52,848	528,480	0.456762
10001- 20000	39	0.101533	54,671	546,710	0.472518
20001- 30000	14	0.036448	34,493	344,930	0.298121
30001- 40000	15	0.039051	53,279	532,790	0.460487
40001- 50000	6	0.015621	27,764	277,640	0.239963
50001- 100000	23	0.059879	161,367	1,613,670	1.394685
100001& Above	77	0.200463	10,614,991	106,149,910	91.744699
Total	**38,411**	**100**	**11,570,141**	**115,701,410**	**100.00**

Dematerialisation of Shares and liquidity:

As on 31st March, 2020, 99.99978 % of shareholding of your Company was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number ("ISIN") allotted to your Company's Shares is INE935N01012.

Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity as of 31st March, 2020

Your Company does not have any outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2020.

Details of Public Funding Obtained:

During the FY 2019-20, your Company has not raised any moneys by way of initial public offer or further public offer.

Commodity Price risk or foreign exchange risk and hedging activities

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not applicable

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

Details of foriegn currency exposure are disclosed in Notes forming part of financial statements of this Annual Report

Details of utilization of funds raised through preferential allotment or qualified Institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations:

The Company has not raised any funds through preferential allotment or institutional placement, therefore such Regulation 32(7A) is not applicable on your Company.

Details of recommendation of Committees of the Board which were not accepted by the Board

Nil- All recommendations of the Committees of the Board were duly accepted by the Board.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

(₹ in Lakhs)

Name of entity	Fees paid during FY 2019-20
Dixon Technologies (India) Limited	24.95
Dixon Global Private Limited	3.90
Padget Electronics Private Limited	13.98
AIL Dixon Technologies Private Limited	5.84
Dixon Electro Appliances Private Limited	0.10

Disclosure in relation to Sexual Harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013:

a. Number of complaints filed during FY 2019-20: Nil

b. Number of complaints disposed of during FY 2019-20: Not Applicable

c. Number of complaints pending as on end of the FY 2019-20: Nil

Plant Locations

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

Plant location (Addresses)	Products manufactured
B-14 and 15, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	LED bulbs, PCB assembly of Airconditionals
B-18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	Mobile phones`
C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	Reverse Logistics LED Bulbs
B-45, Phase II Extension, Noida, UP- 201305	LED bulbs and parts
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
Shed No. 1 and 3, EMC II, Govindavaram, Chittoor- 517526	CCTVs and DVRs
Shed No. 2, 4, 5, 6 and 7 EMC II, Govindavaram, Chittoor- 517526	LED TVs
Plot No. C-2/1, UPSIDC (SIDCUL), Industrial Area, Tehsil Vikas Nagar, Dehradun, Uttarakhand	Washing Machine
Plot No. 6, Sector-90, Noida	Mobile Phones

Consolidation of folios and avoidance of multiple mailing

In order to enable your Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Transfer Agent indicating the folio numbers to be consolidated. The address of RTA is given herein below:

Address for correspondence:

Shareholding related queries:	General Correspondence
KFIN TECHNOLOGIES PRIVATE LIMITED Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500 032, India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-Mail:einward.ris@karvy.com	**DIXON TECHNOLOGIES (INDIA) LIMITED** B-14 & 15, Phase-II, Noida, UttarPradesh-201305 Tel: 0120-4737200 Fax:0120-4737273 E-Mail: investorrelations@dixoninfo.com Website:http:/www.dixoninfo.com

List of Credit Ratings

A. ICRA has not revised the Credit ratings of your Company during the FY 2019-20. The details of Credit Ratings are as follows:

Type	Date	Facility	Rating
Bank Loan Facility	1st October, 2019	Fund Based and Non Fund Based	Long term - ICRA A+ and Short term- ICRA A1+
Commercial Paper	7th October, 2019	Commercial Paper	ICRA A1+

B. Credit ratings for debt instruments or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: **Not applicable**

Other Disclosures

Material Related Party Transactions:

Your Company's major related party transactions are generally with its Wholly Owned Subsidiary and Joint Venture Companies. The related party transactions are entered into based on consideration of various business exigencies, such as synergy in operations. All the arrangements / transactions entered by your Company during the financial year with related parties were in the ordinary course of business and at an arm's length basis. During the year under review, your Company had entered into contract/ arrangement / transaction with related parties which could be considered material in accordance with the materiality policy of the Company of related party transactions. For details on the Related Party Transactions please refer the notes to Financial Statements, forming part of the Annual Report.

None of the transactions with any of related parties were in conflict with your Company's interest. Your Company's materiality Policy on Related Party Transactions is available on your Company's website and can be accessed at https://dixoninfo.com/json/dixon/codes-policy/related-party-transaction-policy.pdf

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee and the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the SEBI Listing Regulations and other applicable laws for approval / information. Prior Omnibus approval is obtained for Related Party Transactions which are of repetitive nature.

Further, as per Regulation 23(9) of the SEBI Listing Regulations, your Company has also filed the related party transactions on a consolidated basis as per the timelines specified under the said regulations.

Details of non-compliance by your Company, penalties, and strictures imposed on the company by stock exchange or SEBI, or any statutory authority, on any matter related to capital markets

There has not been any non-compliance, penalties or strictures imposed on your Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

Vigil Mechanism / Whistle Blower Policy

Your Company, in accordance with the provisions of the SEBI Listing Regulations and the Act, has a well-defined vigil mechanism / Whistle blower Policy. It is fully implemented by the Management. Further, your Company affirms that no person has been denied access to the Audit Committee.

The vigil mechanism / Whistle blower Policy has been explained in detail in the Board's Report.

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/ followed the following non-mandatory requirements specified under Part E of Schedule II of SEBI Listing Regulations:

A. The office of Chairman and Managing Director is held by distinct individuals.

B. The Internal Auditor of your Company directly reports to the Audit Committee of the Board of Directors.

Also, certificate from Practicing Company Secretary has been obtained to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board or Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate is annexed to this Report.

Weblink:

a. Web link of Policy for determining 'material' subsidiaries is https://dixoninfo.com/json/dixon/codes-policy/policy-on-material-subsidiary.pdf and;

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

Non Compliance of any Requirement of Corporate Governance Report

Your Company has not made any non- compliance of any requirement of Corporate Governance Report

Confirmation of Compliance with the Corporate Governance Requirements Specified in Regulation 17 To 27 And Clauses (B) to (I) of Sub-Regulation 2 of Regulation 46 of Sebi Listing Regulations

Particulars	Regulation Number	Compliance Status
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10), (11)	Yes
Maximum number of Directorships	17(A) (1) & (2)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Role of the Audit Committee and the Information to be reviewed by the Audit Committee	18(3)	Yes
Nomination & remuneration committee	19(1), (2), (3) & (4)	Yes
Stakeholder Relationship Committee	20(1),(2), (2A) ,(3) ,(3A) & (4)	Yes
Composition and role of risk management committee	21(1),(2),(3), (3A) (4)	Yes
Vigil Mechanism	22(1) & (2)	Yes
Related party transaction	23(1), (1A) (5),(6),(7),(8),(9)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24 (1), (2),(3),(4),(5) & (6)	Yes
Secretarial Audit	24(A)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes

Particulars	Regulation Number	Compliance Status
Submission of Declaration of Independence by Independent Directors	25(8)	Yes
Memberships & Chairmanship in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance Requirements	27(1) & (2)	Yes
Disclosure on the website of the Company	46(2) (a) to (s)	Yes

The 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

Compliance management

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

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

General Shareholders' Information

Disclosures with respect to demat suspense account/ unclaimed suspense account

Your Company does not have any securities in the demat suspense account/unclaimed suspense account.

General shareholder information required under regulation 36(3) of the SEBI Listing Regulations:

Name of Director	Mr. 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(Appointment)
Qualification	Master's Degree in Management Studies
Expertise in Specific area	With over 28 years of experience in the EMS industry
Directorships in other Companies	**Unlisted Entity**: Padget Electronics Private Limited Dixon Electro Appliances Private Limited **Listed Entity**: NIL
Membership / Chairman of Committees (other than your Company)*	NIL
Shareholding in the Company	4,66,667 equity shares (4.03%) as on 31st March, 2020
Relationships between directors inter-se	Not related to any Director/Key Managerial Personnel of the Company

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, 2020 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is as below:

DECLARATION ON CODE OF CONDUCT

Dixon Technologies (India) Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers and employees. I hereby certify that the Board members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business Conduct for the financial year 2019-20.

For **Dixon Technologies (India) Limited**

Sd/-
Atul B.lall
(Managing Director) Date:

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, 2020, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations for the year ended 31st March, 2020.

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
UDIN: F008273B000454114

Place: Lucknow
Date: July 14th, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Dixon Technologies (India) Limited
B-14 & 15, Phase-II, Noida-201305

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dixon Technologies (India) Limited having CIN L32101UP1993PLC066581 and having registered office at B-14 & 15, Phase-II, Noida-201305 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of the Director	DIN / PAN	Date of Appointment
1.	Mr. Sunil Vachani	00025431	15/01/1993
2.	Mr. Atul Bihari Lall	00781436	30/06/2000
3.	Mr. Manuji Zarabi	00648928	23/02/2017
4.	Mrs. Poornima Shenoy	02270175	23/02/2017
5.	Mr. Manoj Maheshwari	02581704	03/05/2017
6.	Mr. Keng Tsung Kuo	03299647	12/04/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shirin Bhatt & Associates**

Shirin Bhatt
Proprietor
Membership No.: F8273
CP No.: 9150
UDIN: F008273B000454125

Place: Lucknow
Date: July 14th, 2020

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, 2020 and to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

   i. that there are no significant changes in internal control over financial reporting during the year;

   ii. that there are changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statement; and

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

Sd/-
Atul B.lall
(Managing Director)

Sd/-
Saurabh Gupta
(Chief Financial officer)

INDEPENDENT AUDITOR'S REPORT

To the Members of
DIXON TECHNOLOGIES (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED ("the Company"), which comprise the balance sheet as at 31 March, 2020, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view -in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Description of the Key audit matter

Key audit matter	Auditor's response
Revenue Recognition 1. Revenue from the sale of goods is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. 2. Revenue is recognised when the company performs its obligation and the control of the goods is transferred to the customer, generally on delivery of the goods and its acceptance or deemed acceptance by the customer. 3. The timing of revenue recognition is relevant to the reported performance of the Company. Revenue may be recognised before completion of contractual performance obligation due to incorrect recording of point of time when the customer obtains control of the asset. Accordingly, this has been considered as key audit matter.	1. We assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. 2. We read the contracts with customer to determine appropriateness of revenue recognition. 3. We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition and control over revenue cut-off at year-end. 4. We evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Company's IT systems.

Key audit matter	Auditor's response
(Refer to the Accounting Policy 2.11 to the Financial Statements)	5. We performed substantive testing by selecting samples of sales using statistical sampling and tested the underlying documentation supporting the sales, which includes sales invoices, delivery notes etc. 6. We assessed the adequacy of disclosures made. 7. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end, to determine whether the revenue had been recognised in the appropriate financial period.
Incentive income recognition The Company has operating facilities at various locations and based on the various incentive schemes of the respective state Government, the Company is eligible for the incentives. The Company is required to fulfil the conditions mentioned in the notification/circular pertaining to that scheme for eligibility of incentive. The management applies its judgement for the recognition of incentive income. Where in the final determination of the claim accepted by the authorities can be modified/delayed. Given the complexity and magnitude of potential exposures across the company, and the judgement involved, this is a key audit matter	We have examined the processes and controls relating to recognition and measurement of incentive income. In this connection, we have: - Reviewed Government schemes and policy relating to incentives of the respective state governments - Examined registration for the scheme, subsequent departmental orders and regulations issued from time to time. - Checked the eligibility criteria including investment made by the Company. - Performed substantive procedures for calculation of eligible amount of incentives and the claims made by the Company. - Reviewed management assessment for likelihood of recoverability.

Other Information

Information Other than the Ind AS 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 information included in Director's Report, Management Discussions and Analysis (MD&A) and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon, which we obtained on the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the

matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended; in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 36 (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 36 (f) to the standalone financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 36 (e) to the standalone financial statements.

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 20087701AAAABC9050

Place: Delhi
Date: 11 June, 2020

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 2020)

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

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

b. The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of 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 immovable properties, the lease agreements are in the name of the Company.

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

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

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

(b) The loans are repayable on demand

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

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

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)

a. According to the information and explanations given to us, the Company is generally been regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, goods and services tax ('GST'), cess, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

Name of statue	Nature of dues	Amount ₹/Lakh	Amount paid under protest ₹/Lakh	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	689.98	-	2012-13 and 2015-16	Income Tax Appellate Tribunal
	Income Tax	64.83	-	2013-14, 2014-15	Commissioner of Income Tax (Appeals)
		754.81	**-**		
Goods and Services Tax Act, 2017	Goods and Services Tax	1.71	1.71	2017-18 and 2018-19	Assistant Commissioner of Goods and Services Tax
	Goods and Services Tax	9.49	9.49	2019-20	Joint Commissioner (Appeal) of Goods and Services Tax
		11.20	**11.20**		
Custom Act, 1962	Custom Duty	149.50	9.89	2009-10, 2010-11, 2011-12, 2013-14 and 2014-15	Customs Excise and Service Tax Appellate Tribunal
	Custom Duty	406.51	1.76	2009-10, 2010-11 and 2011-12	Commissioners of Customs
	Custom Duty	42.68	120.00	2011-12	Additional Commissioners of Customs
		598.69	**131.65**		
Central Excise Act, 1944	Excise Duty	453.82	-	2007-08	Supreme Court
	Excise Duty	376.53	28.16	2012-13, 2013-14, 2014-15 and 2015-16	Customs Excise and Service Tax Appellate Tribunal
	Excise Duty	36.24	-	2008-09	Commissioner of Central Excise
	Excise Duty	28.52	-	2009-10	Additional Commissioner of Central Excise
	Excise Duty	8.13	2.25	2007-08	Assistant commissioner of Central Excise
		903.24	**30.41**		
Central Sales Tax Act, 1956	Sales Tax	8.02	1.22	2009-10, 2010-11 and 2011-12	High Court
	Sales Tax	203.33	32.72	2008-09, 2010-11, 2011-12, 2012-13, 2015-16, 2017-18, 2018-19	Joint Commissioner
	Sales Tax	12.24	8.34	2009-10, 2011-12, 2016-17	Deputy Commissioner
	Sales Tax	0.76	0.76	2014-15	Assistant Commissioner
		224.35	**43.04**		

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

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

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

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

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause3 (xiv) of the order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause3 (xv) of the order are not applicable.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause3 (xvi) of the order are not applicable.

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 20087701AAAABC9050

Place: Delhi
Date: 11 June, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S

Report of even date on the standalone financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED

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 of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

6. A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

7. Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements operating effectively as at 31 March 2020, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India,.

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 20087701AAAABC9050

Place: Delhi
Date: 11 June, 2020

STANDALONE BALANCE SHEET

FOR THE YEAR AS AT 31 MARCH, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	26,273.89	20,258.73
(b) Capital work-in-progress		955.21	1,877.07
(c) Intangible assets	6	432.70	468.83
(d) Right to use Assets	39	8,336.61	-
(e) Financial assets			
i. Investments	7	4,501.01	1,800.01
ii. Other financial assets	8	857.04	629.15
(f) Other non-current assets	9	1,802.56	812.92
		43,159.02	**25,846.71**
Current assets			
(a) Inventories	10	36,399.76	29,691.61
(b) Financial assets			
i. Trade receivables	11	42,861.23	43,937.61
ii. Cash and cash equivalents	12	9,334.58	895.19
iii. Bank balances other than note 'ii' above	13	434.27	1,858.37
iv. Other financial assets	14	2,586.82	1,906.69
(c) Other current assets	15	7,353.66	6,201.02
		98,970.32	**84,490.49**
TOTAL ASSETS		**1,42,129.34**	**1,10,337.20**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,157.01	1,132.51
(b) Other equity	17	50,259.46	34,873.79
		51,416.47	**36,006.30**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	18	957.16	462.71
i. Other financial liabilities	23	8,127.36	-
(b) Provisions	19	625.80	452.69
(c) Deferred tax liabilities (net)	20	1,257.50	1,392.34
		10,967.82	**2,307.74**
Current Liabilities			
(a) Financial liabilities:			
i. Borrowings	21	6,297.97	12,994.37
ii. Trade payables	22		
- Outstanding dues of Micro and small enterprises		1,526.59	2,284.44
- Outstanding dues of others		69,876.91	52,487.04
iii. Other financial liabilities	23	1,081.30	683.86
(b) Other current liabilities	24	503.75	2,657.50
(c) Provisions	25	438.41	332.84
(d) Current tax liabilities	26	20.12	583.11
		79,745.05	**72,023.16**
TOTAL EQUITY AND LIABILITIES		**1,42,129.34**	**1,10,337.20**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31 March, 2020	Year Ended 31 March, 2019
INCOME			
1 Revenue from operations	27	3,67,149.94	2,52,576.62
2 Other income	28	919.74	418.37
3 Total income (1+2)		**3,68,069.68**	**2,52,994.99**
4 EXPENSES			
(a) Cost of materials consumed	29	3,21,211.23	2,18,325.41
(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(3,157.41)	(500.47)
(c) Employee benefits expense	31	10,873.90	7,899.61
(d) Finance costs	32	3,509.92	2,430.16
(e) Depreciation and amortisation expense	33	3,178.30	2,003.76
(f) Other expenses	34	18,213.20	14,425.08
Total expenses (4)		**3,53,829.14**	**2,44,583.55**
5 Profit before exceptional items and tax (3-4)		14,240.54	8,411.44
6 Exceptional items		-	-
7 Profit before tax (5-6)		**14,240.54**	**8,411.44**
8 Tax expense:	35		
(a) Current tax		3,645.33	2,175.80
(b) Deferred tax		(523.72)	507.24
(c) Income tax for earlier years (net)		58.47	90.98
Tax expense (8)		**3,180.08**	**2,774.02**
9 Profit for the year (7-8)		**11,060.46**	**5,637.42**
10 Other Comprehensive Income ('OCI')			
(a) Items that will not be reclassified to profit or loss		(66.67)	(11.70)
(b) Income tax relating to items that will not be reclassified to profit or loss		17.08	4.05
Other Comprehensive Income for the Year (Net of Tax)		**(49.59)**	**(7.65)**
11 Total Comprehensive Income for the Year (9+10)		**11,010.87**	**5,629.77**
12 Earnings per share	40		
(Nominal value of share ₹ 10)			
(a) Basic		96.88	49.78
(b) Diluted		94.26	49.06

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2020

a. Equity share capital

(₹ in Lakhs)

Particular	
Balance as at 1st April 2018	**1,132.51**
Add: Shares issued during the year	-
Balance as at 31st March 2019	**1,132.51**
Add: Shares issued under ESOP scheme (see note 43)	24.50
Balance as at 31st March 2020	**1,157.01**

b. Other equity

(₹ in Lakhs)

	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, 2018	**704.94**	**9,600.02**	**33.24**	**-**	**18,968.78**	**(58.19)**	**29,248.79**
Profit for the year	-	-	-	-	5,637.42	-	5,637.42
Dividend paid	-	-	-	-	(226.50)	-	(226.50)
Dividend distribution tax	-	-	-	-	(46.56)	-	(46.56)
Reversal of provision for expenses of initial public offer	-	4.03	-	-	-	-	4.03
Share options expenses for the year	-	-	-	264.26	-	-	264.26
Remeasurement Gain/(Loss) on actuarial valuation (net)	-	-	-	-	-	(7.65)	(7.65)
Balance as at 31 March, 2019	**704.94**	**9,604.05**	**33.24**	**264.26**	**24,333.14**	**(65.84)**	**34,873.79**

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2020

b. Other equity (Contd..)

(₹ in Lakhs)

	Reserves and surplus					Other Comprehensive Income		Total
	General Reserve	Securities Premium	Capital Redemption Reserve	Share Option Outstanding	Retained Earnings	Remeasurement of Defined Benefit Plans		
Profit for the year	-	-	-	-	11,060.46	-		11,060.46
Dividend paid	-	-	-	-	(689.31)	-		(689.31)
Dividend distribution tax	-	-	-		(49.19)	-		(49.19)
Share options expenses for the year	-	-	-	568.12	-	-	-	568.12
Transfer to General reserve for the shares issued in current year	405.77	-	-	(405.77)	-	-	-	-
Premium on issue of share under ESOP Scheme	-	4,545.18	-	-	-	-		4,545.18
Remeasurement Gain/(Loss) on actuarial valuation (net)	-	-	-	-	-	(49.59)		(49.59)
Balance as at 31 March, 2020	**1,110.71**	**14,149.23**	**33.24**	**426.61**	**34,655.10**	**(115.43)**		**50,259.46**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR AS AT 31 MARCH, 2020

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
A. Cash flow from operating activities		
Profit before tax	14,240.54	8,411.44
Adjustments for :		
Depreciation and amortisation expense	3,178.30	2,003.76
Finance Costs	3,509.92	2,430.16
(Gain) /Loss on Exchange fluctuation on borrowings	319.43	21.16
Provision for impairment of property, plant and equipment	240.00	-
Interest income	(237.08)	(190.51)
Dividend Income	(450.00)	-
Provision for doubtful debts / loans and advances written back	(225.04)	(36.07)
Loss on sale of property, plant and equipment	29.01	(10.33)
Excess liabilities, credit balances, provisions etc. written back	(1.49)	(26.66)
Share based payment of employees	568.12	264.26
Bad debts write off	394.12	239.65
	21,565.83	**13,106.86**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(6,705.15)	(6,531.95)
Trade receivables	911.21	(31,194.85)
Other current assets	(1,152.64)	(1,782.46)
Other financial assets		
- non-current	(227.89)	(79.92)
- current	(680.13)	(467.31)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	16,169.93	31,231.48
Other financial liabilities	(272.97)	246.67
Other current liabilities	(2,153.75)	(4,155.90)
Provisions	212.01	36.16
Cash generated from operating activities	**27,666.45**	**408.78**
Income tax paid (net)	(3,860.83)	(1,589.12)
Net cash generated from/ (used in) operating activities	**23,805.62**	**(1,180.34)**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment and Intangible assets	(8,906.84)	(6,188.33)
Sale proceeds of property, plant and equipment	186.41	161.67
Equity investments in shares of joint venture	(2,701.00)	(475.00)
(Increase) / decrease in bank balance not classified as cash and cash equivalent	1,424.10	938.74
Dividend Income	450.00	-
Interest income received	237.08	190.51
Net cash generated from/(used in) investing activities	**(9,310.25)**	**(5,372.41)**

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR AS AT 31 MARCH, 2020

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
C. Cash flow from financing activities		
Interest paid	(3,511.04)	(2,440.06)
Proceeds from issue of share	4,569.68	-
Proceeds/ (repayment) from current borrowings (net)	(6,824.13)	9,730.10
Repayment of non Current financial Borrowings	495.57	(369.71)
Proceeds of non Current financial Borrowings	(47.56)	6.88
Dividend paid	(689.31)	(226.50)
Dividend distribution tax paid	(49.19)	(46.56)
Net cash generated from/(used in) financing activities	**(6,055.98)**	**6,654.15**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**8,439.39**	**101.40**
Cash and cash equivalents at the beginning of the year	895.19	793.79
Cash and cash equivalents at the end of year (refer note 12)	**9,334.58**	**895.19**

Notes:

i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.

ii. Figures in brackets indicate cash outflow.

iii. Figures for the previous year have been regrouped wherever considered necessary.

iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

NOTES TO STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Dixon Technologies (India) Limited ('the Company') is a Public Limited Company incorporated in India having its registered office located at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN - L32101UP1993PLC066581. It was incorporated as per the provisions of the Companies Act as Dixon Utilities and Exports Private Limited in the year 1993. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company transformed from being a manufacturer of electronic goods to leading multi-product corporation with widespread activities. The Company is primarily engaged in the manufacturing of electronics as its core business activity.

2 BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies(Indian Accounting Standards) Amendment Rules,2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial statements of the Company for the year ended 31 March, 2020 have been approved by the Board of Directors in their meeting held on 11 June, 2020.

2.2 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All Financial information presented in INR has been rounded off to the nearest lakh as per the requirements of Schedule III of "the Act" , unless otherwise stated.

2.3 Use of Estimates and Judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2.7.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.17, 2.18 and 2.26.

NOTES TO STANDALONE FINANCIAL STATEMENTS

2.4 Current vs. Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.5 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out ('FIFO') basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2.6 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.7 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

NOTES TO STANDALONE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax includes Tax Credit under section 115JAA of Income Tax Act,1961 recognized as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which Tax credit is allowed to be carried forward. The company review the "Tax Credit Entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2.8 Property, Plant and Equipment

Recognition and Measurement:

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

2.9 Depreciation and Amortization

Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

NOTES TO STANDALONE FINANCIAL STATEMENTS

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each Financial year-end and adjusted if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

2.10 Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and

NOTES TO STANDALONE FINANCIAL STATEMENTS

- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 - Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 - Leases, payments and

NOTES TO STANDALONE FINANCIAL STATEMENTS

other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

2.11 Revenue Recognition

The Company engaged in the manufacturing washing machine, Moulding and Other Electronics etc.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Description of performance obligations are as follows:

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales-related warranties associated with sale of goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Interest Income

For all debt instruments measured either at amortized cost or at Fair Value through Other Comprehensive Income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the Financial instrument or a shorter period, where appropriate, to the gross carrying amount of the Financial asset.

Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Insurance claims

Insurance claims are accounted for on acceptance or to the extent amount have been received.

2.12 Employee Benefits

Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits

Leave, as the leave accrued, if any, lapses at the end of the year and hence, no liability in respect of accrued leave arises.

Post Employment Benefits

The Company operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan

NOTES TO STANDALONE FINANCIAL STATEMENTS

assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

2.13 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

2.14 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

2.15 Borrowing Cost

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.16 Interest in Subsidiaries and Jointly controlled entities

Investments in subsidiaries and jointly controlled entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.17 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

Financial Assets

- Recognition and Initial Measurement:

All Financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A Financial asset is initially measured at

NOTES TO STANDALONE FINANCIAL STATEMENTS

fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

- Classification and Subsequent Measurement:

For purposes of subsequent measurement, Financial assets are classified in four categories:

o Measured at Amortized Cost;

o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

o Measured at Fair Value Through Profit or Loss (FVTPL); and

o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial assets.

o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

- The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and

- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

o Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.

o All other Financial instruments are classified as measured at FVTPL.

- Derecognition

The Company derecognizes a Financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

Financial Liabilities

- Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement:

NOTES TO STANDALONE FINANCIAL STATEMENTS

Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

- Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- Derecognition

A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

Derivative Financial instruments:

The Company enters into derivative Financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative Financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of profit and loss immediately.

2.18 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

2.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and

NOTES TO STANDALONE FINANCIAL STATEMENTS

warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

2.20 Intangible Assets

Recognition and Measurement

Other Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

- Other Intangible assets are amortized over a period of three to six years.

- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

2.21 Investment properties

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

- Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the Statement of Profit and Loss.

- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of "the Act''.

- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

2.22 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Financial statements. The operating segments have been identified on the basis of the nature of products/services:

- Segment revenue includes sales and other income directly identifiable with / allocable to the Segment including inter-Segment revenue.

NOTES TO STANDALONE FINANCIAL STATEMENTS

- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in Unallocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

2.23 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.24 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.25 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

2.26 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO STANDALONE FINANCIAL STATEMENTS

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3 Recent accounting pronouncements

During the year and subsequent to year end, the Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards which have material impact on the financial statements in current year and in any other financial year.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial statements is included in the following notes:

a. **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

b. **Useful lives of depreciable/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

c. **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

d. **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

e. **Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

f. **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is

NOTES TO STANDALONE FINANCIAL STATEMENTS

different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

h. **Fair value measurement of Financial Instruments:** When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

i. **Warranty :** Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

NOTES TO STANDALONE FINANCIAL STATEMENTS

5 Property, plant and equipment

(₹ in Lakhs)

	Land	Office buildings	Factory buildings	Residential Building	Electric installations	Plant and machinery	Tools and dies	Fan, coolers, air conditioners etc.	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
At cost or deemed cost													
Balance as at 01 April, 2018	**1,017.64**	**329.73**	**4,246.46**	**-**	**508.38**	**9,195.26**	**1,763.81**	**315.42**	**159.98**	**870.26**	**531.50**	**318.78**	**19,257.22**
Additions	-	124.30	365.05	-	128.77	3,361.85	581.38	61.64	87.82	638.38	26.32	134.51	5,510.02
Disposals	-	-	-	-	-	102.12	50.41	0.21	-	7.84	17.60	0.58	178.76
Balance as at 31 March, 2019	**1,017.64**	**454.03**	**4,611.51**	**-**	**637.15**	**12,454.99**	**2,294.78**	**376.85**	**247.80**	**1,500.80**	**540.22**	**452.71**	**24,588.48**
Additions	176.18	10.52	2,732.16	464.95	631.33	3,357.68	533.75	120.48	200.85	425.24	282.96	115.50	9,051.60
Disposals	-	-	-	-	-	130.49	122.45	0.38	-	7.45	15.77	4.51	281.05
Balance as at 31 March, 2020	**1,193.82**	**464.55**	**7,343.67**	**464.95**	**1,268.48**	**15,682.18**	**2,706.08**	**496.95**	**448.65**	**1,918.59**	**807.41**	**563.70**	**33,359.03**
Accumulated depreciation and impairment													
i. Accumulated depreciation													
Balance as at 01 April, 2018	**15.78**	**6.91**	**248.98**	**-**	**86.04**	**1,219.05**	**243.80**	**106.31**	**38.81**	**143.82**	**137.73**	**135.27**	**2,382.50**
Charge for the Year	7.89	6.48	167.74	-	65.38	1,023.93	201.88	73.97	43.23	131.52	79.43	109.97	1,911.42
Disposals	-	-	-	-	-	14.95	3.24	0.14	-	1.99	6.68	0.42	27.42
Balance as at 31 March, 2019	**23.67**	**13.39**	**416.72**	**-**	**151.42**	**2,228.03**	**442.44**	**180.14**	**82.04**	**273.35**	**210.48**	**244.82**	**4,266.50**
Charge for the Year	7.89	7.89	231.48	12.27	103.69	1,398.39	328.44	83.52	63.57	174.14	77.40	121.35	2,610.03
Disposals	-	-	-	-	-	78.58	1.06	0.37	-	2.90	10.94	0.79	94.64
Balance as at 31 March, 2020	**31.56**	**21.28**	**648.20**	**12.27**	**255.11**	**3,547.84**	**769.82**	**263.29**	**145.61**	**444.59**	**276.94**	**365.38**	**6,781.89**

NOTES TO STANDALONE FINANCIAL STATEMENTS

5 Property, plant and equipment (Contd..)

(₹ in Lakhs)

	Land	Office buildings	Factory buildings	Residential Building	Electric installations	Plant and machinery	Tools and dies	Fan, coolers, air conditioners etc.	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
ii. Impairment Losses													
Balance as at 01 April, 2018	-	-	-	-	-	56.80	6.45	-	-	-	-	-	63.25
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2019	-	-	-	-	-	56.80	6.45	-	-	-	-	-	63.25
Additions	-	-	-	-	-	240.00	-	-	-	-	-	-	240.00
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2020	-	-	-	-	-	296.80	6.45	-	-	-	-	-	303.25
Net carrying amount													
As at 31 March, 2019	993.97	440.64	4,194.79	-	485.73	10,170.16	1,845.89	196.71	165.76	1,227.45	329.74	207.89	20,258.73
As at 31 March, 2020	1,162.26	443.27	6,695.47	452.68	1,013.37	11,837.54	1,929.81	233.66	303.04	1,474.00	530.47	198.32	26,273.89

Notes:

i. Free hold land includes land purchased in auction held by a Nationalised bank in the year 2016-17 marked as Plot no C 2/1, selaqui, Dehradun, Uttarakhand and registered in the name of the company. During the said year and thereafter, a party has instituted legal case disputing our ownership of the said land at various courts/ tribunals, including Hon'ble Debt Recovery Tribunal at Lucknow and Dehradun ('DRT') and Hon'ble Debt Recovery Appellate Tribunal, Allahabad ('DRAT') and Hon'ble Nainital High Court. The matters contested at DRT and DRAT has been decided in the favor of the Company. Further, the Company, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is successfully defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250.34 Lakhs and capital assets created thereon as on 31 March, 2020 is ₹ 1,477.78 Lakhs.

ii. Land includes leasehold land having gross block amounting to ₹ 651.72 lakhs, accumulated depreciation of ₹ 31.56 lakhs and net block amounting to ₹ 620.16 lakhs.

iii. Information of the assets pledge as security, refer note 18, 21 and 37.

NOTES TO STANDALONE FINANCIAL STATEMENTS

6 Intangible assets

(₹ in Lakhs)

Particular	Computer Software
At cost or deemed cost	
Balance as at 01 April, 2018	**25.69**
Additions	542.89
Disposals	-
Balance as at 31 March, 2019	**568.58**
Additions	50.97
Disposals	-
Balance as at 31 March, 2020	**619.55**
Accumulated amortisation	
Balance as at 01 April, 2018	**7.41**
Charge for the year	92.34
Disposals	-
Balance as at 31 March, 2019	**99.75**
Charge for the Year	87.10
Disposals	-
Balance as at 31 March, 2020	**186.85**
Net carrying amount	
At 31 March, 2019	**468.83**
At 31 March, 2020	**432.70**

7 Investments

Particular	As at 31 March 2020		As at 31 March 2019	
	No's	₹ / Lakh	No's	₹ / Lakh
Investment in equity instrument				
(Unquoted, at cost)				
a. In subsidiary companies				
Dixon Global Private Limited	10,00,000	100.01	10,00,000	100.01
Equity shares of ₹ 10 Each				
Padget Electronics Private Limited	1,50,00,000	3,450.00	-	-
Equity shares of ₹ 10 Each				
Dixon Electro Appliances Private Limited	10,000	1.00	-	-
Equity shares of ₹ 10 Each				
b. In jointly control company				
AIL Dixon Technologies Private Limited	95,00,000	950.00	95,00,000	950.00
Equity shares of ₹ 10 Each				
Padget Electronics Private Limited	-	-	75,00,000	750.00
Equity shares of ₹ 10 Each				
		4,501.01		**1,800.01**

NOTES TO STANDALONE FINANCIAL STATEMENTS

7 Investments (Contd..)

Notes:

i. **Information of subsidiaries and jointly controlled company**

Name of entity	Principal activity	Place of incorporation	Principal place of business	Proportion of ownership interest/ voting rights held by the group As at 31 March 2020	As at 31 March 2019
Subsidiary company					
Dixon Global Private Limited	Trading	Noida, India	Noida, India	100%	100%
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	100%	-
Dixon Electro Appliances Private Limited	Manufacturing	Noida, India	Noida, India	100%	-
Jointly control companies					
AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh, India	50%	50%
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India		50%

ii. **Operation details of jointly control companies**

a. **AIL Dixon Technologies Private Limited**

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Income	21,641.53	11,251.15
Expenses	21,195.65	11,176.14

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Assets	16,799.19	9,710.15
Liabilities	15,488.33	8,713.20
Contingent liabilities	-	50.00
Commitments (net of advance)	0.10	-

b. **Padget Electronics Private Limited**

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Income	-	35,577.74
Expenses	-	34,848.44

NOTES TO STANDALONE FINANCIAL STATEMENTS

7 Investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Assets	-	28,137.89
Liabilities	-	26,254.54
Contingent liabilities	-	2,025.00
Commitments (net of advance)	-	-

Notes:

i. The operations are disclosed to the extent of the share of the Company.

ii. During the year, Dixon Electro Appliances Private Limited has been incorporated, as wholly owned subsidiary of the Company.

iii. During the year, the company has invested ₹ 2,700 Lakhs to acquire remaining 50% shareholding (No. of shares 75,00,000) in its Joint Venture Company, Padget Electronics Private Limited . Consequent to this, Padget Electronic Private Limited has become wholly owned subsidiary of the Company.

8 Other non-current financial assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Amount paid under protest to government department	220.45	211.62
b. Security deposits	636.59	417.53
	857.04	**629.15**

9 Other non-current assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Capital advances	1,802.56	812.92
b. Other advances considered doubtful	28.58	14.72
Less : Provision for doubtful advances	(28.58)	(14.72)
	-	-
	1,802.56	**812.92**

NOTES TO STANDALONE FINANCIAL STATEMENTS

10 Inventories

(Lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Raw materials and packing materials etc.		
-in stock	21,614.30	17,627.94
- in transit	3,167.62	3,603.24
b. Work-in-progress	9,672.21	6,178.71
c. Finished goods	1,945.63	2,281.72
	36,399.76	**29,691.61**

11 Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
i. Unsecured, considered good	42,861.23	43,937.61
ii. Unsecured, considered doubtful	144.88	363.67
	43,006.11	**44,301.28**
Less: Provision for doubtful receivables (refer note 42)	144.88	363.67
	42,861.23	**43,937.61**

Note:

Receivables from related parties:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
i. AIL Dixon Technologies Private Limited	90.09	10.92
ii. Padget Electronics Private Limited	-	63.40
	90.09	**74.32**

12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Balances with banks	9,299.99	867.52
b. Cash in hand	34.59	27.67
	9,334.58	**895.19**

NOTES TO STANDALONE FINANCIAL STATEMENTS

13 Bank balances other than note 12 above

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Balance in unpaid dividend account	0.32	0.12
b. Fixed deposit with banks (held as margin money against letter of credit)	433.95	1,858.25
	434.27	**1,858.37**

14 Other current financial assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Loan and advances to related party	428.00	200.00
b. Security deposits	-	-
c. Advances to employees	118.84	78.58
d. Amount receivables from government authorities (Incentive receivables and refund recoverable)	773.73	1,628.11
e. Outstanding forward Marked to Market (MTM)	1,047.43	-
f. Other receivables	218.82	-
	2,586.82	**1,906.69**

15 Other current assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Balance with Government Authorities (Goods and services tax, sales tax, custom duty, export incentive etc.)	6,193.68	5,174.44
b. Advances to suppliers	857.97	797.94
c. Prepaid expenses	302.01	228.64
	7,353.66	**6,201.02**

NOTES TO STANDALONE FINANCIAL STATEMENTS

16 Equity share capital

Particular	As at 31 March 2020		As at 31 March 2019	
	No of shares	₹ / Lakh	No of shares	₹ / Lakh
Authorised				
Equity shares of ₹ 10/-each	2,60,00,000	2,600.00	2,60,00,000	2,600.00
Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each fully paid up	1,15,70,141	1,157.01	1,13,25,091	1,132.51
	1,15,70,141	**1,157.01**	**1,13,25,091**	**1,132.51**
a. Reconciliation of equity shares				
Balance as at the beginning of the year	1,13,25,091	1,132.51	1,13,25,091	1,132.51
Share issued under ESOP Scheme	245,050	24.50	-	-
Balance as at the end of the year	**1,15,70,141**	**1,157.01**	**1,13,25,091**	**1,132.51**

b. Terms and rights of equity shareholders

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the annual general meeting except in the case of interim dividend.

c. Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Mr. Sunil Vachani		
No's of shares	40,11,208	41,96,208
(In %)	34.67%	37.05%
Mrs. Kamla Vachani		
No's of shares	9,88,044	10,64,181
(In %)	8.54%	9.40%
SBI Magnum Global fund		
No's of shares	9,55,694	11,01,369
(In %)	8.26%	9.73%
Reliance Capital Trustee Company Limited		
A/C reliance growth fund		
No's of shares	7,71,202	8,41,488
(In %)	6.67%	7.43%

NOTES TO STANDALONE FINANCIAL STATEMENTS

16 Equity share capital (Contd..)

d.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2019: ₹ 2 per share (previous year ₹ 2 per share)	226.30	226.38
Dividend Distribution Tax on final dividend	46.56	46.56
Interim dividend for the year ended on 31 March 2020: ₹ 4 per share (previous year ₹ nil per share)	462.81	-
Dividend Distribution Tax on interim dividend	2.63	-
	735.67	**272.94**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2020: ₹ nil per share (₹ 2 per share)	-	226.50
Dividend Distribution Tax on proposed dividend	-	46.56
	-	**273.06**

e. The Authorised Share Capital of the company has been re-classified/consolidated from 19,995,000 equity shares of ₹ 10/- each and 5,000 preference shares of ₹ 10/- each to 20,000,000 equity shares of ₹ 10/- each on 18th April 2017. Further on 20th April 2017, Authorised Share Capital of the Company has been increased to ₹ 2.600.00 Lakh divided in to 26,000,000 equity shares of ₹ 10/- each.

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company has allotted 6,277,337 fully paid up shares of face value ₹ 10 each during the year ended 31st March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held.

g. Shares held by Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

h. Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31st March 2018, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1766 per share (including premium of ₹ 1756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 5999.99 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Company on 14th September 2017 and the shares of the Company were listed on the stock exchanges on 18th September 2017.

i. Shares reserved for issue under option

For details of shares reserved for issue and shares issued under the Employee Stock Option Plan (ESOP) of the Company, refer note 43. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the Company on or before the vesting date.

NOTES TO STANDALONE FINANCIAL STATEMENTS

17 Other equity

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. General reserve	1,110.71	704.94
b. Securities premium	14,149.23	9,604.05
c. Capital redemption reserve	33.24	33.24
d. Other comprehensive income	(115.43)	(65.84)
e. Share option outstanding account	426.61	264.26
f. Retained earnings	34,655.10	24,333.14
	50,259.46	**34,873.79**
a. General reserve-		
Opening balance	704.94	704.94
Transfer from ESOP Outstanding	405.77	-
Closing balance	**1,110.71**	**704.94**
b. Securities premium		
Opening balance	9,604.05	9,600.02
Add: Premium on issue of share under ESOP scheme (see note 43)	4,545.18	-
Add: Reversal of provision for expenses of initial public offer	-	4.03
Closing balance	**14,149.23**	**9,604.05**
c. Capital redemption reserve		
Opening balance	33.24	33.24
Closing balance	**33.24**	**33.24**
d. Other comprehensive income-		
Remeasurement of defined benefit plans		
Opening balance	(65.84)	(58.19)
Movement during the year	(49.59)	(7.65)
Closing balance	**(115.43)**	**(65.84)**
e. Share option outstanding		
Opening balance	264.26	-
Add : Granted/ vested during the year	568.12	264.26
Less : Excercised during the year (Refer note 43)	(405.77)	-
Closing balance	**426.61**	**264.26**
f. Retained earnings		
Opening balance	24,333.14	18,968.78
Add : Profit for the year	11,060.46	5,637.42
Less: Appropriation		
Final dividend on equity shares	226.50	226.50
Dividend distribution tax on final dividend	46.56	46.56

NOTES TO STANDALONE FINANCIAL STATEMENTS

17 Other equity (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interim dividend on equity shares	462.81	-
Dividend distribution tax on interim dividend	2.63	-
Closing balance	**34,655.10**	**24,333.14**

Notes:

a. General reserve:

The Company had transferred a part of the net profit of the Company to general reserve in 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 reserve.

c. Capital Redemption reserve:

The reserve has been created by buy back of equity shares and fully convertible cumulative participatory preference shares.

d. Other comprehensive income:

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

e. Share option outstanding:

The above reserve relates to share options granted by the Company to its employees under its employee share option plan.

f. Retained earnings:

Retained earnings are profits of the Company earned till date less transferred to other reserves and dividend paid during the year.

18 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
i. From banks		
(Secured)		
a. Foreign currency loans		
- Standard Chartered Bank (see note 'a' below)	266.07	569.64
b. Rupee loan		
- Term Loan (see note 'b' below)	650.00	-
- Vehicle Loans (see note 'c' below)	200.24	48.40
	1,116.31	**618.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS

18 Borrowings (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
ii. From others		
(Secured)		
- Tata Capital Housing Finance Limited (see note 'd' below)	164.05	178.79
- Vehicle Loans (see note 'c' below)	24.54	51.89
	188.59	**230.68**
iii. From others		
(Un secured)		
- Finance lease obligations	-	8.17
	-	8.17
Total	**1,304.90**	**856.89**
Less: Current maturities of long term borrowings (refer note 23)	347.74	394.18
	957.16	**462.71**

Notes:

a. USD 20,00,000 Foreign currency loan (sanctioned) from Standard Chartered Bank is secured against first pari passu charge on movable Property, Plant and Equipment excluding vehicles (both Present & future), and on immovable Plot B-14-15, Phase-II, Noida (UP) (including building) and second charges on current assets (both Present and future), further secured by personal guarantee of Chairman Mr. Sunil Vachani and is repayable in 17 Quarterly instalments from December, 2016. Last instalment payable on December, 2020. Rate of loan interest Libor+275 BPS and loan is fully hedged.

b. Term loan of ₹ 650.00 lakhs from Qatar bank is repayable in 8 half yearly instalments, 40% in 4 equal half yearly instalments from 31 July, 2022 and remaining 60% in rest 4 equal half yearly instalments. Rate of interest on loan is linked to one year MCLR of bank and interest is to be paid on monthly basis. The loan is secured against exclusive charge on land, building and machinary, current assets and including cash flows of the said project with security cover of 1.25 times and exclusive mortgage and hypothecation charge on current assets.

c. Vehicle loans are secured by way of hypothecation of the related assets. These are repayable in maximum sixty equal monthly instalments, repayment period from 2014 ending on 2022, bearing interest rate varying from 8.70% p.a to 10.24% p.a.

d. Loan is secured by mortgage of the related asset and is repayable in 120 monthly instalments from Aug' 2017 to Aug' 2027 bearing interest rate of 9.15% p.a.

19 Provisions

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Provision for employee benefit		
i. Provision for gratuity (see note 44)	625.80	452.69
	625.80	**452.69**

NOTES TO STANDALONE FINANCIAL STATEMENTS

20 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Deferred tax liability		
i. Arising on account of timing differences in depreciation	1,479.42	2,161.26
b. Deferred tax assets		
i. Arising on account of timing differences in accrued expenses	221.92	362.96
ii. Minimum alternative tax credit entitlement	-	405.96
	1,257.50	**1,392.34**

Note:

For deferred tax movement and tax reconcialtion refer note 35.

21 Borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. From Banks (Secured)		
i. Buyer Credits (Refer note 'a')	2,377.97	-
ii. Working Capital Loan	-	12,994.37
b From Banks (Un Secured)		
i. Commercial Paper (Refer note 'b')	2,500.00	-
c. From Related Parties (Un Secured)		
i. Padget Electronics Private Limited (Refer note 'c')	1,420.00	-
	6,297.97	**12,994.37**

Notes:

a. Borrowings from banks (comprising of vendor financing) are secured on pari-passu basis over all the present and future book debts and stock-in-trade comprising of raw material, Components , work in progress and finished goods . These are further secured by first pari-passu on entire block of (present and future) Property, Plant and Equipment comprising of land, building, plant and machinery etc. coupled with equitable mortgage of land and property at B-14 & B-15, Phase-II and Exclusive Charge over C-33 Phase II Noida (UP) and Exclusive Charge over Industrial Property located at Plot 18, Block B, Phase II, Noida (UP), Exclusive Charge over Industrial Property located Khasra No. 1050, Central Hope Town, Industrial Area, Selaqui, Dehradun (Uttarakhand).Exclusive Charge on movable Fixed Assets of the unit located at plot no 262M, Industrial area, Central hope Town, Selaqui, and District - Dehradun (both Present and Future).First Parri Passu Charge over Movable Fixed Assets of unit located at C-1 Selaqui industrial Area, Dehradun (Uttrakhand).First Parri Passu charge over current assets of CO Borrower (DGPL), both present and future for Co Borrowers Limits ..First Passi Passu Charge (with Bank's overseas Business Unit {OBU} only) on the entire moveable fixed assets (except those excllusively charged to other lenders) of the borrower, both present and future.Second Parri Passu Charge by way of equitable mortgage over the immovable fixed assets at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh.Second Parri Passu Charge on the entire equitable mortgage over the immovable fixed assets (except those excluisively charges to other lenders) at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh.

b. Commercial paper for ₹ 2,500 lakhs has been issued through IPA account with HDFC bank to HDFC bank on 5 March, 2020 for a period of 90 days and bearing interest rate of 7.5%.

c. ₹ 1,420 lakhs is repayable to Padget Electronnics Private Limited, related company of group. Interest at 3 months SBI MCLR is charged on outstanding balances.

NOTES TO STANDALONE FINANCIAL STATEMENTS

22 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Outstanding dues of Micro and Small enterprises (see note 38)	1,526.59	2,284.44
b. Outstanding dues of others	69,876.91	52,487.04
	71,403.50	**54,771.48**

23 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
A) Non Current		
Payable for Lease Obiligation	8,127.36	-
	8,127.36	**-**
B) Current		
a. Current maturities of long term borrowings (see note 'i' below)	347.74	394.18
b. Outstanding forward Marked to Market (MTM)	-	273.17
c. Unpaid dividend	0.32	0.12
d. Interest accrued but not due on Borrowings	15.27	16.39
e. Payable for Capital Goods	278.66	-
f. Payable for Lease Obiligation	439.31	-
	1,081.30	**683.86**

Notes:

i. For security clause and repayment terms of borrowings, refer note 18.

24 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Advances received from customers	45.45	454.77
b. Statutory dues payable	458.30	2,202.73
	503.75	**2,657.50**

NOTES TO STANDALONE FINANCIAL STATEMENTS

25 Provisions

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Provision for employee benefits		
i. Provision for gratuity (see note 44)	66.78	45.65
b. Provision for warranty (see note below)	371.63	287.19
	438.41	**332.84**

Note:

Movement in provision for warranty

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	287.19	305.84
Additional provision made during the year	544.76	673.02
Provision reversed/claim paid during the year	460.32	691.67
Closing provision	**371.63**	**287.19**

Basis of warranty:

The Company gives thirty months warranty on LED bulbs and twelve months warranties on television and washing machines. LED bulbs are replaced with new bulbs and in respect of televisions and washing machine defective part is changed.

26 Current tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for income tax (net)	20.12	583.11
	20.12	**583.11**

27 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Sale of products	3,63,131.86	2,50,139.74
	3,63,131.86	**2,50,139.74**
Other operating revenue		
Service charges received	60.00	590.08
Export benefits	5.68	101.93

NOTES TO STANDALONE FINANCIAL STATEMENTS

27 Revenue from operations (Contd..)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Job work charges	3,649.24	1,174.99
Rent received (production facility charges)	63.52	53.76
GST incentive on area base exemption	162.38	417.38
Other incentive	77.26	98.74
	4,018.08	**2,436.88**
	3,67,149.94	**2,52,576.62**

28 Other income

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Interest income		
- On fixed deposits/ margin money	172.20	164.51
- Others	64.88	26.00
Other non operating income		
Other receipts	6.13	6.73
Dividend received	450.00	-
Exchange fluctuations (net)	-	148.07
Provision for doubtful debts / loans and advances written back	225.04	36.07
Profit on sale of property, plant and equipment	-	10.33
Excess liabilities, credit balances, provisions etc. written back	1.49	26.66
	919.74	**418.37**

29 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Opening Stock	17,627.94	14,924.83
Add: Purchase (Including Components)	3,25,197.59	2,21,028.52
	3,42,825.53	**2,35,953.35**
Less: Closing Stock	21,614.30	17,627.94
	3,21,211.23	**2,18,325.41**

NOTES TO STANDALONE FINANCIAL STATEMENTS

30 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Inventories at the beginning of the year		
Finished Goods	2,281.72	3,690.04
Work in Progress	6,178.71	4,269.92
	8,460.43	**7,959.96**
Inventories at the end of the Year		
Finished Goods	1,945.63	2,281.72
Work in Progress	9,672.21	6,178.71
	11,617.84	**8,460.43**
(Increase)/Decrease	**(3,157.41)**	**(500.47)**

31 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Salaries and wages	8,480.75	6,279.08
Contribution to provident and other funds	452.50	359.88
Provision for gratuity	148.07	104.40
Share based payments to employees	568.12	264.26
Staff welfare expense	1,224.46	891.99
	10,873.90	**7,899.61**

32 Finance costs

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Interest on borrowings	3,000.80	2,423.26
Interest on lease obiligation	449.23	-
Other financial charges	59.89	6.90
	3,509.92	**2,430.16**

NOTES TO STANDALONE FINANCIAL STATEMENTS

33 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
On property, plant and equipment	2,610.03	1,911.42
On intangible assets	87.10	92.34
On right of use assets	481.17	-
	3,178.30	**2,003.76**

34 Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Consumption of stores and spares	460.40	157.28
Contractor wages and job work charges	10,018.59	6,785.49
Service charge paid	0.11	759.99
Power and fuel	2,038.89	1,742.54
Rent	282.19	563.71
Repairs and maintenance:		
- for buildings	76.89	116.10
- for Plant and equipment	177.06	414.28
- for others	253.41	193.77
Insurance	257.39	138.57
Rates and taxes	177.43	81.90
Selling and distribution expenses	1,490.40	1,490.49
Donations	3.77	16.11
Director's sitting fees	7.70	7.10
Payment to auditors (refer note below)	28.70	40.23
Bad debts write off	394.12	239.65
Provision for doubtful debts / loans and advances	-	-
Exchange fluctuations (net)	132.09	-
Provision for impairment of property, plant & equipment	240.00	-
Loss on sale of property, plant and equipment	29.01	-
Corporate social responsibility expenses (see note 45)	109.07	109.42
Bank charges	363.46	127.95
Miscellaneous expenses	1,672.52	1,440.50
	18,213.20	**14,425.08**

Note:

Payment to auditors comprises:

NOTES TO STANDALONE FINANCIAL STATEMENTS

34 Other expenses (Contd..)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Statutory auditors		
Audit Fees	21.00	21.00
Tax Audit Fees	3.00	3.00
Out of pocket expenses	0.95	4.06#
Certification fees	-	8.17*
	24.95	**36.23**
Other auditor		
Payment to Cost Auditor	3.75	4.00
	28.70	**40.23**

*paid to the erstwhile auditor
#includes ₹ 3.66 Lakh paid to erstwhile auditor

35 Tax expense

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Current Tax	3,645.33	2,175.80
Deferred Tax	(523.72)	507.24
	3,121.61	**2,683.04**
Income Tax for earlier years (net)		
Tax expenses for the year	58.47	90.98
	3,180.08	**2,774.02**
A. Reconciliation of income tax expense to statutory income tax rate of income		
Profit before tax	14,240.54	8,411.44
Income tax Rate	25.63%	34.94%
Estimated income tax expense	3,649.22	2,939.29
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense :		
Non taxable income	(115.32)	(211.46)
Effect on tax allowance	-	(163.96)
Deffer Tax reverasal due to tax rate change	(479.55)	-
Others	67.54	119.17
Income Tax expense in the Statement of Profit and Loss	**3,121.90**	**2,683.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS

35 Tax expense (Contd..)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
B. Movement in the deferred tax liabilities (net):		
Deferred tax (net)		
a. Deferred tax liability	1,479.42	2,161.26
b. Deferred tax assets	221.92	362.96
- others		
Add: Minimum alternative tax credit entitlement	-	405.96
	221.92	**768.92**
	1,257.50	**1,392.34**

(₹ in Lakhs)

Particulars	As at 1 April, 2018	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2019
Deferred tax liabilities				
- Depreciation	1,677.47	483.79	-	2,161.26
	1,677.47	**483.79**	**-**	**2,161.26**
Deferred tax assets				
- Expenses allowed on payment basis	149.45	20.64	4.05	174.14
- Others	232.91	(44.09)	-	188.82
	382.36	**(23.45)**	**4.05**	**362.96**
	1,295.11	**507.24**	**(4.05)**	**1,798.30**

(₹ in Lakhs)

Particulars	As at 1 April, 2019	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2020
Deferred tax liabilities				
- Depreciation	2,161.26	(681.84)	-	1,479.42
	2,161.26	**(681.84)**	**-**	**1,479.42**
Deferred tax assets				
- Expenses allowed on payment basis	174.14	30.70	17.08	221.92
- Others	188.82	(188.82)	-	-
	362.96	**(158.12)**	**17.08**	**221.92**
	1,798.30	**(523.72)**	**(17.08)**	**1,257.50**

NOTES TO STANDALONE FINANCIAL STATEMENTS

36 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Contingent liabilities		
Contingent liabilities not provided in respect of		
i. Letters of Credit (outstanding)	59,018.88	22,552.97
ii. Guarantees issued by bankers on behalf of Company (These are covered by the charge created in favour of Company's banker by way of hypothecation of stock and trade receivables besides pledge of fixed deposits as margin money)	1,435.39	234.43
iii. Corporate guarantees given to Banks on behalf of subsidiary for purpose of financial assistance.	6,000.00	7,450.00
iv. Bill discounting with banks	9,590.98	9,917.74
v. a) Bond given to custom department on behalf of the joint venture company	1,400.00	9,700.00
b) Bond given to custom department under AEO	950.00	-
vi. **Claims against the Company not acknowledged as debt**		
a. Income tax	754.81	771.43
b. Sales tax	224.35	216.61
c. Goods and service tax	11.20	2.73
d. Excise custom duty and service tax	1,501.93	1,547.31
e. Other disputes	35.69	37.67
Summary of amount paid under protest		
i. Income tax	-	-
ii. Sales tax	43.04	42.68
iii. Excise custom duty and service tax	162.06	162.06
iv. Goods and service tax	11.20	2.73
v. Other disputes	4.15	4.15
	220.45	**211.62**

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

b. Capital commitments:

Commitments for acquisition of property, plant and equipment (net of advances)	2,777.02	210.92

c. During FY 2019-20, The Company has availed Non Fund based LC Limits of ₹ 48,000 Lakh from various Banks to import raw material relating to manufacture of finished goods in LED TV Business which has been backed by 105% Bank Guarantee amounting to ₹ 50,400 Lakh from one of the customer in LED TV business.

d. The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

e. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Company.

f. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO STANDALONE FINANCIAL STATEMENTS

37 Assets mortgage as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are :

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current assets:		
Financial assets		
Trade receivables	42,861.23	43,937.61
Inventories	33,232.14	26,088.37
Total current assets mortgaged as security	**76,093.37**	**70,025.98**
Non-current:		
Land (Freehold and leasehold)	911.92	743.63
Vehicles	530.47	329.74
Buildings	4,170.31	3,789.03
Plant and machinery	10,371.70	7,671.98
Total non-currents assets mortgaged as security	**15,984.40**	**12,534.38**
Total assets mortgaged as security	**92,077.77**	**82,560.36**

38 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	1,526.59	2,284.44
- interest due	-	-
b. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

39 Leases

Right-of-use assets

i. Carrying value of right of use assets at the end of the reporting period

(₹ in Lakhs)

Particulars	Land and Buildings	Total
Balance as at 31 March, 2019	-	-
Recognition on account of adoption of Ind AS 116 (Refer notes below)	2,657.13	2,657.13
Additions during the year	6,247.84	6,247.84
	8,904.97	**8,904.97**
Depreciation during the year	(481.17)	(481.17)
Derecognised during the year	(87.19)	(87.19)
Balance as at 31 March, 2020	**8,336.61**	**8,336.61**

ii. Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Right-of-use assets - land and building	6,247.84	-

iii. Right-of-use assets

At cost or deemed cost

(₹ in Lakhs)

Particulars	Land and Buildings
Balance as at 01 April, 2019	**2,657.13**
Additions	6,247.84
Dereognition	(87.19)
Balance as at 31 March, 2020	**8,817.78**
Accumulated amortisation	
Balance as at 01 April, 2019	**-**
Charge for the Year	481.17
Dereognition	-
Balance as at 31 March, 2020	**481.17**
Net carrying amount	
At 31 March, 2020	**8,336.61**

Notes:

i. The Company has adopted Ind AS 116 “Leases” effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach. On transition, the adoption of new standard resulted in recognition of Right-of-

NOTES TO STANDALONE FINANCIAL STATEMENTS

39 Leases (Contd..)

Use asset (including additions and derecognition during the year) of ₹ 8,817.78 lakhs and an equal amount of lease liability. The effect of this adoption is not material on profit and earnings per share for the year ended.

ii. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

iii. Transition impact of Ind AS - 116

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset equals to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statement for the year ended March 31, 2019.

The effect of this adoption is insignificant on the profit before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application or low value leases.

c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d. Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e. The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Lakhs)

Particulars	As at 31 March, 2020
Balance at the Beginning of the year	-
Recognition on account of adoption of Ind AS 116	2,657.13
Additions	6,247.84
	8,904.97
Finance cost accrued during the year	449.23
Payment of lease liabilities	(706.48)
Derecognised during the year	(81.05)
Balance at the end	**8,566.67**

NOTES TO STANDALONE FINANCIAL STATEMENTS

39 Leases (Contd..)

f. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March, 2020
Due within one year	1,104.27
Due later than one year and not later than five years	4,315.07
Due later than five years	11,626.79
Total	**17,046.13**

g. Amounts recognised in profit or loss (see note 'a' below)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020
Interest on lease liabilities	449.23
Depreciation on right of use assets	481.17
Expenses relating to short-term and low value leases	282.19
	1,212.59

h. Amounts recognised in the statement of cash flows (see note 'a' below)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020
Total cash outflow for leases	706.48
	706.48

Note:

a. Since the Ind AS 116 is applicable from 1 April, 2019, hence no disclosure has been made for the previous year.

i. Impact of change in accounting policy :

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020
Decrease in Property Plant and equipment by	-
Increase in lease liability by	8,566.67
Increase in rights of use by	8,336.61

NOTES TO STANDALONE FINANCIAL STATEMENTS

39 Leases (Contd..)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020
Increase/(Decrease) in Deferred tax assets by	58.96
Increase/(Decrease) in finance cost by	449.23
Increase/(Decrease) in depreciation by	481.17
Increase/(Decrease) in rent expense by	(424.29)

iv. 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.

v. Rental expense recorded for short-term and low value leases is ₹ 282.19 lakhs for the year ended March 31, 2020, the same have been recorded under the head 'Other expenses' in the financial statements.

vi. Rental income on assets given on sub-lease is ₹ Nil for the year ended 31 March, 2020. (₹ Nil for the year ended 31 March, 2019)

vii. Right of use assets and liabilities of ₹ 2657.13 lakhs have been recognised as at 1 April, 2020.

B. Disclosures for operating leases other than leases coverd in Ind AS 116

i. The Company has entered into cancellable operating leases and transactions for leasing of accommodation for Factory Building, Service Centre, office space, Godown, transit house etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

ii. The Company has given its properties on lease one to its Subsidiary and the other to another party. Tenure of leases varies between 3 to 11 year. 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 to 12 months, accordingly no lease obligation have been disclosed

Lease expenses/income recognised during the year

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
a. As a lessee (expenses)	282.19	563.71
Factory building, godown, office space, service centre and transit house		
b. As a lessor (income)		
Factory and office building	63.52	53.76

NOTES TO STANDALONE FINANCIAL STATEMENTS

40 Earnings per share

(₹ in Lakhs)

Particulars		Year Ended 31 March, 2020	Year Ended 31 March, 2019
a. Basic			
Profit for the year	₹ / Lakh	11,060.46	5,637.42
Weighted average number of equity shares	No's	1,14,16,759	1,13,25,091
Face value of per share	₹	10.00	10.00
Earnings per share - Basic	₹	96.88	49.78
b. Diluted			
Profit for the year	₹ / Lakh	11,060.46	5,637.42
Diluted number of equity shares	No's	1,17,33,423	1,14,91,758
Face value of per share	₹	10.00	10.00
Earnings per share - Basic	₹	94.26	49.06
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:			
Weighted average number of equity shares used in the calculation of basic earnings per share	No's	1,14,16,759	1,13,25,091
Shares deemed to be issued for no consideration in respect of employee options on proportionate basis	No's	3,16,663	1,66,667
Weighted average number of equity shares used in the calculation of diluted earnings per share	No's	**1,17,33,423**	**1,14,91,758**

41 Details of research and development expenditure

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
a. Revenue expenditure	8.64	130.66
Cost of materials consumed	323.96	241.27
Employee benefits expense	46.90	41.65
Other expenses	26.06	18.54
	405.56	**432.12**
Depreciation and amortisation expense		
b. Capital expenditure		
Purchase of property, plant and equipment	61.10	258.50
	61.10	**258.50**

NOTES TO STANDALONE FINANCIAL STATEMENTS

42 Financial instruments

a. Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Net debt		
a. Borrowings		
- non current	957.16	462.71
- current	6,297.97	12,994.37
b. Current maturities of long term borrowings (see note 'i' below)	347.74	394.18
	7,602.87	**13,851.26**
c. Cash and cash equivalents	9,334.58	895.19
	9,334.58	895.19
Net debt	**(1,731.71)**	**12,956.07**
Total equity	**51,416.47**	**36,006.30**
Net debt to equity ratio	**-0.03**	**0.36**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

b. Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Financial asset		
a. Measured at cost		
a. Investments in subsidiaries and jointly controlled entities	4,501.01	1,800.01
b. Measured at amortised cost		
a. Other financial assets		
- Non current	857.04	629.15
- Current		
i. Trade receivables	42,861.23	43,937.61
ii. Cash and cash equivalents	9,334.58	895.19
iii. Bank balances other than note 'ii' above	434.27	1,858.37
iv. Other financial assets	1,539.39	1,906.69

NOTES TO STANDALONE FINANCIAL STATEMENTS

42 Financial instruments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
c. Measured at fair value through Profit and Loss (FVTPL)		
a. Outstanding forward Marked to Market (MTM)	1,047.43	-
Financial liabilities		
a. Measured at fair value through Profit and Loss (FVTPL)		
a. Outstanding forward Marked to Market (MTM)	-	273.17
b. Measured at amortised cost		
a. Borrowings		
- Non current	957.16	462.71
- Current	6,297.97	12,994.37
b. Other non current financial liabilities	8,127.36	-
c. Trade payables	71,403.50	54,771.48
d. Other current financial liabilities	1,081.30	410.69

Notes:

a. There are no significant difference among the fair value of financial assets and liabilities classified as measured at cost or measured at fair value through profit and loss accordingly no separate disclosure of the same have been disclosed.

b. The derivative instruments with respect to forward contract are accounted for as fair value hedge.

c. The company has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

c. Fair value hierarchy

The disclosure of the financial instruments measured at fair value. The details of instrument and valuation technique are as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at 31 March, 2020	As at 31 March, 2019
Financial assets			
Foreign currency forward contracts	Level 2	1,047.43	-
Financial liabilities			
Foreign currency forward contracts	Level 2	-	273.17

Valuation technique and key input

Discounted cash flow. Future cash flow estimated based on forward exchange rates (from observable forward exchange rates at the end of reporting period) and contract forward rates.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

NOTES TO STANDALONE FINANCIAL STATEMENTS

42 Financial instruments (Contd..)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

Valuation processes

a. The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the audit committee (AC).

b. Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the company's quarterly reporting periods.

d. Summary statement of standalone financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market, credit and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

A. Credit Risk Management

Credit risk is managed on group basis. For deposits only high rated banks/institutions are accepted.

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The Company's exposure to customers is diversified and one Customer (Previous Year two customer) contributes to more than 10% of outstanding trade receivable ₹ 24,596.41 Lakh (Previous year ₹ 28,970.55 Lakh) as at 31 March, 2020.

Reconciliation of loss allowance provision

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	363.67	399.74
Additional provision made	114.91	197.38
Provision adjusted against the amount written off	333.70	233.45
Closing provision	**144.88**	**363.67**

NOTES TO STANDALONE FINANCIAL STATEMENTS

42 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.

B. Liquidity Risk

1 The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

2 The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of financial liabilities

(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2020				
Non Derivative				
Long Term Borrowings	-	957.16	957.16	957.16
Current maturities of long term borrowings (see note 'i' below)	347.74	-	347.74	347.74
Short term borrowings	6,297.97	-	6,297.97	6,297.97
Trade Payables	71,403.50	-	71,403.50	71,403.50
Other Financial Liabilities	733.56	8,127.36	8,860.92	8,860.92
As on 31.03.2019				
Non Derivative				
Long Term Borrowings	-	462.71	462.71	462.71
Current maturities of long term borrowings (see note 'i' below)	394.18	-	394.18	394.18
Short term borrowings	12,994.37	-	12,994.37	12,994.37
Trade Payables	54,771.48	-	54,771.48	54,771.48
Other Financial Liabilities	289.68	-	289.68	289.68

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 STANDALONE FINANCIAL STATEMENTS

42 Financial instruments (Contd..)

(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2020				
Non derivative				
Other financial assets				
- Non current	-	857.04	857.04	857.04
- Current	2,586.82	-	2,586.82	2,586.82
Trade receivables	42,861.23	-	42,861.23	42,861.23
Cash and cash equivalents	9,334.58	-	9,334.58	9,334.58
Bank balances other than above	434.27	-	-	434.27
As on 31.03.2019				
Non derivative				
Other financial assets				
- Non current	-	629.15	629.15	629.15
- Current	1,906.69	-	1,906.69	1,906.69
Trade receivables	43,937.61	-	43,937.61	43,937.61
Cash and cash equivalents	895.19	-	895.19	895.19
Bank balances other than above	1,858.37	-	-	1,858.37

D. Market Risk Management

I. Foreign Currency Risk

a. The operation of the Company give exposure to foreign exchange risk arising from foreign currency transactions and foreign currency loans, primarily with respect to the US$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company hedge the foreign currency exposure. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

b. The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company measures the forward contract at fair value through profit and loss.

c. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

NOTES TO STANDALONE FINANCIAL STATEMENTS

42 Financial instruments (Contd..)

The foreign currency exposures for the year ended are as follows:

(₹ in Lakhs)

Particulars	Particulars	As at 31 March, 2020			As at 31 March, 2019		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Borrowings	In USD / Lakh	3.53	3.53	-	8.24	8.24	-
	In ₹ / Lakh	266.07	266.07	-	569.65	569.65	-
Buyers' Credit	In USD / Lakh	31.54	-	31.54	-	-	-
	In ₹ / Lakh	2,377.97	-	2,377.97	-	-	-
Creditors	In USD / Lakh	500.50	381.15	119.35	443.05	217.63	225.42
	In CNY / Lakh	75.52	-	75.52	-	-	-
	In ₹ / Lakh	37,057.61	28,869.74	8,187.87	30,646.03	15,053.75	15,592.28
Total liability	In USD / Lakh	535.57	384.68	150.89	451.29	225.87	225.42
	In CNY / Lakh	75.52	-	75.52	-	-	-
	In ₹ / Lakh	39,701.65	29,135.81	10,565.84	31,215.68	15,623.40	15,592.28
Debtors	In USD / Lakh	4.57	-	4.57	1.62	-	1.62
	In ₹ / Lakh	346.11	-	346.11	112.26	-	112.26
Total assets	In USD / Lakh	4.57	-	4.57	1.62	-	1.62
	In ₹ / Lakh	346.11	-	346.11	112.26	-	112.26

A. Foreign currency risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Financial assets	346.11	112.26
Financial liabilities	10,565.84	15,592.28
Net exposure (liabilities)	**10,219.73**	**15,480.02**

Note:

The above amount represents the gross exposure i.e. both hedged and unhedged.

B. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

NOTES TO STANDALONE FINANCIAL STATEMENTS

42 Financial instruments (Contd..)

(₹ in Lakhs)

Particulars	Currency USD impact As at 31 March, 2020	Currency USD impact As at 31 March, 2019
Impact on profit or loss for the year	102.20	154.80
Impact on total equity as at the end of reporting year	76.01	100.71

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables in the Company at the end of the reporting period. Impact on profit for the year are gross of tax.

II. Cash flow and Interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at variable rate were mainly denominated in INR and USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a. Interest rate risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Variable rate borrowings	6,297.97	12,994.37
Fixed rate borrowings	1,304.90	856.89

b. Sensitivity Analysis

The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Impact on profit or loss for the year	76.03	138.51
Impact on total equity as at the end of reporting year	56.55	90.11

Impact on profit for the year are gross of tax.

III. Price Risk

The entity do not have any investment in quoted securities or other equity instruments except for unquoted investments in subsidiaries and jointly controlled entity. Thus, the company is not exposed to any price risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS

43 Employee Stock Option Plan

Employee Stock Option Plan - 2018: The company had a Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ('Dixon ESOP 2018') which provided for the grant of equity shares of the company to the eligible employees of the company and its subsidiary companies. The board of directors recommended the establishment of the Dixon ESOP 2018 to the shareholders on 26th May, 2018 and shareholders approved the recommendations of the board of director in Annual General Meeting held on 25th July, 2018. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2018 was 500,000 equity shares. The company has approved 2 grants vide its meeting held on 31st October, 2018 and 13th November, 2019. 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 from the date of grant of such options. The Plans are Equity Settled Plans.

Particulars	Grant I	Grant II
Date of Grant	01-Nov-18	13-Nov-19
Date of Share holders Approval	25-Jul-18	25-Jul-18
Date of Board of Directors Approval / Committee	26-May-18	26-May-18
No. of Option	497,600	4,900
Method of settlement (Cash/Equity)	Equity	Equity
Vesting Period	31-Oct-19	
	31-Oct-20	13-Nov-20
	31-Oct-21	13-Nov-21
Exercise Price (Per Share ₹)	1,864.80	2092.58
Exercise Period	Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 3 years.
Ext. of Exercise Period	None	None
Fair Value of option at the time of Grant* (Per Share ₹)	768.65/-	1280.60/-

Particulars	As at 31 March 2020		As at 31 March 2019	
	Share arising out of options	Weighted average exercise price	Share arising out of options	Weighted average exercise price
Outstanding at the beginning	4,97,600	₹ 1,864.80	-	-
Granted	4,900	₹ 2,092.58	4, 97,600	₹ 1,864.80
Forfeited and expired	2,500	₹ 1,864.80	-	-
Exercised	2,45,050	₹ 1,864.80	-	-
Outstanding at the end	2,47,550	₹ 1,864.80	4,97,600	₹ 1,864.80
	4,900	₹ 2,092.58		
Exercisable at the end	2,500	₹ 1,864.80	-	-

Fair value of option is based on the valuation report of the option

NOTES TO STANDALONE FINANCIAL STATEMENTS

44 Employee benefits

a. Defined Contribution Plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Contribution to provident and other funds		
a. Contribution to provident fund	387.69	297.95
b. Contribution to employee state insurance	35.19	38.30
c. Contribution to national pension scheme	29.62	23.63
	452.50	**359.88**

b. Defined benefits plan

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. The company's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

Assumptions

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Future Salary Increase	6.00%	6.00%
Discount rate	6.80%	7.66%
Mortality rates	100% of IALM (2012-14)	100% of IALM (2006-08)
Attributes of ages: withdrawal rate (%)		
upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	58	58
Amount recognised in Statement of Profit and Loss in respect of defined benefit plans are as follows		

NOTES TO STANDALONE FINANCIAL STATEMENTS

44 Employee benefits (Contd..)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Service Cost		
- Current service cost	109.89	71.11
- Past service cost including curtailment gains/losses	-	-
	109.89	**71.11**
Net interest cost	38.18	33.29
Expense recognised in statement of profit and loss	**148.07**	**104.40**

Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.03)	-
Actuarial (gains) / losses arising from changes in financial assumptions	53.30	2.24
Actuarial (gains) / losses arising from experience adjustments	13.40	9.46
Components of defined benefit costs recognised in other comprehensive income	**66.67**	**11.70**
	214.74	**116.10**

Notes:

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.

ii. The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

iii. The Company gratuity scheme is unfunded

The amount included in the Standalone financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for gratuity		
- Non-Current	625.80	452.69
- Current	66.78	45.65
	692.58	**498.34**

NOTES TO STANDALONE FINANCIAL STATEMENTS

44 Employee benefits (Contd..)

Movements in the present value of the defined benefit obligation are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Liability at the beginning of the year	**498.34**	**431.83**
Interest Costs	38.18	33.29
Current Service Costs	109.89	71.11
Past Service Cost including curtailment Gains/ Losses	-	-
Benefits paid	(20.50)	(49.59)
Actuarial (Gain)/Loss on obligations due to change in Obligation	66.67	11.70
Liability at the end of the year	**692.58**	**498.34**

Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Impact of the change in discount rate		
Present Value of Obligation at the end of the period	692.58	498.34
Impact due to increase of 0.50 %	(33.53)	(22.46)
Impact due to decrease of 0.50 %	36.48	24.28
b. Impact of the change in salary increase		
Present Value of Obligation at the end of the period	692.58	498.34
Impact due to increase of 0.50 %	34.97	23.34
Impact due to decrease of 0.50 %	(32.38)	(21.72)

Notes:

i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.

ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

iii. The above sensitivity analysis are with out giving the impact of tax.

Maturity Profile of Defined Benefit Obligation

Financial year	Amount ₹ / Lakh
Apr 2020- Mar 2021	66.78
Apr 2021- Mar 2022	37.96
Apr 2022- Mar 2023	35.70
Apr 2023- Mar 2024	47.20
Apr 2024- Mar 2025	18.90
Apr 2025- Mar 2026	15.35
Apr 2026 onwards	476.08

NOTES TO STANDALONE FINANCIAL STATEMENTS

44 Employee benefits (Contd..)

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

a. Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b. Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

45 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The area for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
A. Gross amount required to be spent by the company	154.14	112.50
B. Amount spent by the company		
a. Yet to be paid in cash	-	-
b. In cash - Donation to		
a. The Akshaya Patra Foundation	37.00	24.00
b. Jan Maadhyam	16.00	12.50
c. Nav Abhiyan	21.00	12.50
d. Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project	-	1.00
e. Chief Minister's Distress Relief Fund AP	-	5.00
f. Chief Minister's Distress Relief Fund Kerala	-	5.00
g. Saint Hardyal Education and Orphan Welfare society for the Project related to orphans.	32.00	13.88
h. Rugmark Foundation for the project related School	-	7.50
i. Sanitation Drive on Service Lane	-	2.92
j. Manju Memorial Charitable Trust	-	17.63

NOTES TO STANDALONE FINANCIAL STATEMENTS

45 Corporate Social Responsibility (Contd..)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
k. Delhi Langar Seva Society	-	7.50
	106.00	**109.43**
q Sanitation Drive on Service Lane relating to FY 2018-19 Budget	3.07	-
	109.07	**109.43**

46 Segment Reporting

The chief operating decision maker (CODM) comprises the Board of Directors & Chief financial officer and Chief operating officer examines the Company's performance on the basis of single operating segment Electronics Goods accordingly segment disclosure has not been made.

Revenue from three customers (Previous year three customers) of the Company represented approximately ₹ 238,642.14 Lakhs (Previous year ₹ 127,802.03 Lakhs) individually more than 10% of the Company's total revenue.

47 The Company had made an Initial Public Offer ('IPO') during the Quarter ended 30 September, 2017, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1,766 per share (including premium of ₹ 1,756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 5,999.99 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Company on 14 September, 2017 and the shares of the Company were listed on the stock exchanges on 18 September, 2017.

Details of utilization of IPO Proceeds are as follows :

(₹ in Lakhs)

Particulars	Object of the Issue as per Prospectus	Total Utilization Up to March 2020	Amount Pending for Utilization
Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company	2,200.00	2,200.00	-
Setting up a unit for manufacturing of LED TVs at the Tirupati (A.P)	758.00	758.00	-
Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility	886.00	796.00	90.00
Upgradation of the information technology infrastructure of the Company	1,063.00	941.37	121.63
General corporate purposes (see note 'b' below)	805.00	805.00	-
	5,712.00	**5,500.37**	**211.63**
IPO Expenses*	288.00	288.00	-
Total	**6,000.00**		

a. The company has deposited ₹ 212 lakh in schedule banks as Fixed deposit

b. Estimated IPO expenses reduced by ₹ 54 Lakhs and accordingly expense transferred to General Corporate Expenses.

NOTES TO STANDALONE FINANCIAL STATEMENTS

48 Related parties

a. List of related parties

i. Subsidiary Companies

a. Dixon Global Private Limited

b. Padget Electronic Private Limited (became subsidiary w.e.f 12 April, 2019) (refer note 7)

c. Dixon Electro Appliance Private Limited (incorporated as subsidiary on 15 January, 2020)

ii. Joint Venture Company

a. AIL Dixon Technologies Private Limited

b. Padget Electronic Private Limited (upto 11 April, 2019) (refer note 7)

iii. Key Managerial Personnel and their relatives

a.	Mr. Sunil Vachani	Chairman
b.	Mr. Atul B. Lall	Managing Director
c.	Mr. Gopal Jagwan	Chief financial officer (Upto 4th May 2018)
d.	Mr. Saurabh Gupta	Chief financial officer (From 4th May 2018)
e.	Mr. Ramesh Chandra Chopra	Non Executive Independent Director (Upto 6th August 2018)
f.	Mr. Manuji Zarabi	Non Executive Independent Director
g.	Ms. Poornima Shenoy	Non Executive Independent Director
h.	Mr. Manoj Maheshwari	Non Executive Independent Director
i.	Mr. Keng Tsung Kuo	Non Executive Independent Director (From 12 April, 2019)
j.	Mr. Prithvi Vachani	Son of Chairman (from 2 April, 2018)

iv. Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence

a. Dixon Applied Technology Training Institute

NOTES TO STANDALONE FINANCIAL STATEMENTS

48 Related parties (Contd..)

b. Transactions /balances outstanding with related parties

(₹ in Lakhs)

	Subsidiaries		Joint Venture		KMP and their relatives		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
A. Transactions during the year								
Investment in joint venture	-	-	-	**475.00**	-	-	-	**475.00**
AIL Dixon Technologies Private Limited	-	-	-	475.00	-	-	-	475.00
Investment in Subsidiries	**2,701.00**	-	-	-	-	-	**2,701.00**	-
Dixon Electro Appliance Private Limited	1.00	-	-	-	-	-	1.00	-
Padget Electronic Private Limited	2,700	-	-	-	-	-	2,700.00	-
Interest income	-	-	**30.67**	**5.72**	-	-	**30.67**	**5.72**
AIL Dixon Technologies Private Limited	-	-	30.67	5.72	-	-	30.67	5.72
Interest Paid	**149.18**	-	-	-	-	-	**149.18**	-
Padget Electronic Private Limited	149.18	-	-	-	-	-	149.18	-
Service charges received	-	-	**69.90**	**70.80**	-	-	**69.90**	**70.80**
AIL Dixon Technologies Private Limited	-	-	69.90	70.80	-	-	69.90	70.80
Sale of goods	**519.87**	**2,590.84**	**2.30**	**83.81**	-	-	**522.17**	**2,674.65**
Dixon Global Private Limited	518.52	2,590.84	-	-	-	-	518.52	2,590.84
AIL Dixon Technologies Private Limited	-	-	2.30	82.80	-	-	2.30	82.80
Padget Electronic Private Limited	1.35	-	-	1.02	-	-	1.35	1.02
Purchase of raw material	**57,192.21**	**58,751.49**	-	**28.27**	-	-	**57,192.21**	**58,779.76**
Dixon Global Private Limited	57,192.15	58,751.49	-	-	-	-	57,192.15	58,751.49
AIL Dixon Technologies Private Limited	-	-	-	0.01	-	-	-	0.01
Padget Electronic Private Limited	0.06	-	-	28.26	-	-	0.06	28.26
Job Work Charges received	-	-	**13.33**	**39.16**	-	-	**13.33**	**39.16**
AIL Dixon Technologies Private Limited	-	-	13.33	39.16	-	-	13.33	39.16
Job Work Charges paid	**53.71**	-	**119.75**	-	-	-	**173.46**	-
AIL Dixon Technologies Private Limited	-	-	119.75	-	-	-	119.75	-
Padget Electronic Private Limited	53.71	-	-	-	-	-	53.71	-
Purchase of Property, plant and equipment	-	-	-	**6.93**	-	-	-	**6.93**

NOTES TO STANDALONE FINANCIAL STATEMENTS

48 Related parties (Contd..)

(₹ in Lakhs)

	Subsidiaries		Joint Venture		KMP and their relatives		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Padget Electronic Private Limited	-	-	-	6.93	-	-	-	6.93
Sale of Property, plant and equipment	**0.61**	**-**	**-**	**0.62**	**-**	**-**	**0.61**	**0.62**
AIL Dixon Technologies Private Limited	-	-		0.62	-	-	-	0.62
Padget Electronic Private Limited	0.61	-	-	-	-	-	0.61	-
Rent Received	**63.44**	**-**	**-**	**63.44**	**-**	**-**	**63.44**	**63.44**
Padget Electronic Private Limited	63.44	-		63.44	-	-	63.44	63.44
Surety Bond Given to Custom Department on behalf of the Joint Venture companies	**-**	**-**	**-**	**3,000.00**	**-**	**-**	**-**	**3,000.00**
AIL Dixon Technologies Private Limited	-	-	-	1,400.00	-		-	1,400.00
Padget Electronic Private Limited	-	-	-	1,600.00	-		-	1,600.00
Bond Given to Custom Department by joint venture companies on behalf of the company	**1,000.00**	**-**	**600.00**	**100.00**	**-**	**-**	**1,600.00**	**100.00**
AIL Dixon Technologies Private Limited	-	-	600.00	100.00	-	-	600.00	100.00
Padget Electronic Private Limited	1,000.00	-	-	-	-	-	1,000.00	-
Loan given to related party	**-**	**-**	**400.00**	**200.00**	**32.00**	**-**	**432.00**	**200.00**
AIL Dixon Technologies Private Limited	-	-	400.00	200.00	-	-	400.00	200.00
Mr. Atul B. Lall	-	-	-	-	8.00	-	8.00	-
Mr. Saurabh Gupta	-	-	-	-	24.00	-	24.00	-
Loan repaid by the related party	**-**	**-**	**200.00**	**-**	**4.00**	**-**	**204.00**	**-**
AIL Dixon Technologies Private Limited	-	-	200.00	-	-	-	200.00	-
Mr. Atul B. Lall	-	-	-	-	4.00	-	4.00	-
Loan received from related party	**3,350.00**	**-**	**-**	**-**	**-**	**-**	**3,350.00**	**-**
Padget Electronic Private Limited (Net)	3,350.00	-	-	-	-	-	3,350.00	-
Loan repaid to related party	**1,930.00**	**-**	**-**	**-**	**-**	**-**	**1,930.00**	**-**
Padget Electronic Private Limited (Net)	1,930.00	-	-	-	-	-	-	-
Corporate guarantee given	**-**	**2,000.00**	**-**	**-**	**-**	**-**	**-**	**2,000.00**
Dixon Global Private Limited	-	2,000.00	-	-	-	-	-	2,000.00

NOTES TO STANDALONE FINANCIAL STATEMENTS

48 Related parties (Contd..)

(₹ in Lakhs)

	Subsidiaries		Joint Venture		KMP and their relatives		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Director sitting fees	**-**	**-**	**-**	**-**	**7.70**	**7.10**	**7.70**	**7.10**
Mr. Ramesh Chandra Chopra	-	-	-	-	-	0.30	-	0.30
Mr. Manuji Zarabi	-	-	-	-	3.20	2.90	3.20	2.90
Ms. Poornima Shenoy	-	-	-	-	1.20	1.70	1.20	1.70
Mr. Manoj Maheshwari	-	-	-	-	2.30	2.20	2.30	2.20
Mr. Keng Tsung Kuo					1.00	-	1.00	-
Remuneration (including commission)*	**-**	**-**	**-**	**-**	**1,085.79**	**710.12**	**1,085.79**	**710.12**
Mr. Sunil Vachani	-	-	-	-	500.00	339.22	500.00	339.22
Mr. Atul B. Lall	-	-	-	-	462.29	276.37	462.29	276.37
Mr. Gopal Jagwan	-	-	-	-	-	10.68	-	10.68
Mr. Saurabh Gupta	-	-	-	-	98.60	54.88	98.60	54.88
Mr. Ramesh Chandra Chopra	-	-	-	-	-	5.00	-	5.00
Mr. Manuji Zarabi	-	-	-	-	5.00	5.00	5.00	5.00
Ms. Poornima Shenoy	-	-	-	-	5.00	5.00	5.00	5.00
Mr. Manoj Maheshwari	-	-	-	-	5.00	5.00	5.00	5.00
Mr. Prithvi Vachani	-	-	-	-	9.90	8.98	9.90	8.98

*The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ 3.25 lakhs and security premium amounting to ₹ 602.81 lakhs.

Note: The above amounts are inclusive of GST (wherever applicable).

NOTES TO STANDALONE FINANCIAL STATEMENTS

48 Related parties (Contd..)

(₹ in Lakhs)

	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Outstanding balances										
Trade Payable	**12,749.01**	**7,635.07**	-	-	-	-	-	**1.85**	**12,749.01**	**7,636.92**
Dixon Global Private Limited	12,716.88	7,635.07	-	-	-	-	-	-	12,716.88	7,635.07
Padget Electronic Private Limited	32.14	-	-	-	-	-	-	-	32.14	-
Dixon Applied Technology Training Institute	-	-	-	-	-	-	-	1.85	-	1.85
Surety Bond Given to Custom Department on behalf of the Joint Venture companies	-	-	**1,400.00**	**9,700.00**	-	-	-	-	**1,400.00**	**9,700.00**
AIL Dixon Technologies Private Limited	-	-	1,400.00	1,400.00	-	-	-	-	1,400.00	1,400.00
Padget Electronic Private Limited		-	-	8,300.00	-	-	-	-	-	8,300.00
Amount payable*	-	-	-	-	-	**0.85**	-	-	-	**0.85**
Mr. Atul B. Lall	-	-	-	-	-	0.82	-	-	-	0.82
Mr. Saurabh Gupta	-	-	-	-	-	0.03	-	-	-	0.03
Trade Receivables	-	-	**90.09**	**74.32**	-	-	-	-	**90.09**	**74.32**
AIL Dixon Technologies Private Limited	-	-	90.09	63.40	-	-	-	-	90.09	63.40
Padget Electronic Private Limited	-	-	-	10.92	-	-	-	-	-	10.92
Interest accrued but not due	-	-	**12.03**	**5.15**	-	-	-	-	**12.03**	**5.15**
AIL Dixon Technologies Private Limited	-	-	12.03	5.15	-	-	-	-	12.03	5.15
Amount Receivables*	-	-	**400.00**	**200.00**	**57.87**	**0.40**	-	-	**457.87**	**200.40**

NOTES TO STANDALONE FINANCIAL STATEMENTS

48 Related parties (Contd..)

(₹ in Lakhs)

	Subsidiaries		Joint Venture		KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
AIL Dixon Technologies Private Limited	-	-	400.00	200.00	-	-	-	-	400.00	200.00
Mr. Atul B. Lall	-	-	-	-	4.10	-	-	-	4.10	-
Mr. Saurabh Gupta	-	-	-	-	47.23	-	-	-	47.23	-
Mr. Sunil Vachani	-	-	-	-	6.29	-	-	-	6.29	-
Mr. Prithvi Vachani	-	-	-	-	0.25	0.40	-	-	0.25	0.40
Loans and Advances Payable	**1,420.00**	**-**	**-**	**200.00**	**-**	**-**	**-**	**-**	**1,420.00**	**200.00**
Padget Electronic Private Limited	1,420.00	-		200.00	-	-	-	-	1,420.00	200.00
Bond Given to Custom Department by joint venture companies on behalf of the company	**3,000.00**	**-**	**600.00**	**4,000.00**	**-**	**-**	**-**	**-**	**3,600.00**	**4,000.00**
AIL Dixon Technologies Private Limited	-	-	600.00	100.00	-	-	-	-	600.00	100.00
Padget Electronic Private Limited	3,000.00	-	-	3,900.00	-	-	-	-	3,000.00	3,900.00
Dixon Global Private Limited	-	-	-	-	-	-	-	-	-	-
Corporate guarantee	**6,000.00**	**7,450.00**	**-**	**-**	**-**	**-**	**-**	**-**	**6,000.00**	**7,450.00**
Dixon Global Private Limited	6,000.00	7,450.00	-	-	-	-	-	-	6,000.00	7,450.00
Investment in equity shares	**3,551.01**	**100.01**	**950.00**	**1,700.00**	**-**	**-**	**-**	**-**	**4,501.01**	**1,800.01**
Dixon Global Private Limited	100.01	100.01	-	-	-	-	-	-	100.01	100.01
AIL Dixon Technologies Private Limited	-	-	950.00	950.00	-	-	-	-	950.00	950.00
Dixon Electro Appliance Private Limited	1.00	-	-	-	-	-	-	-	1.00	-
Padget Electronic Private Limited	3,450.00	-	-	750.00	-	-	-	-	3,450.00	750.00

*₹ 29.87 lakhs included in the closing balance with respect to the expenditure incurred by the Company on behalf of employees which is recoverable at the year end.

NOTES TO STANDALONE FINANCIAL STATEMENTS

49 In Second quarter, The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended 31 March, 2020 and re-measured its net deferred tax liabilities (DTL) basis the rates prescribed in the said section. The impact of this change has been recognised over the period from 1 July 2019 to 31 March, 2020.

50 The outbreak of Coronavirus (COVID-19) pandemic is causing significant disturbance and slowdown of economic activity. COVID-19 has impacting business operation of the company, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. Manufacturing facilities of the Company at Noida, Dehradun, and Tirupati were closed following countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities partially at Noida, Dehradun and Tirupati .The Company has assessed the economic impact of Covid-19 on its business by evaluating various scenarios on certain assumptions and current indicators of future economic conditions and on the basis of ongoing discussions with customers, vendors and service providers, the Company is confident of serving customers orders, obtaining regular supplies of raw material and logistics services. Based on this, the Company has assessed recoverability of its assets such as trade receivables, inventory etc. and believes that it will recover the carrying cost of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

51 The Board of Director has not recommend any final dividend. The interim dividend declared ₹ 4 Per share and paid during the quarter ended March 2020.

52 There are no subsequent event observed after the reporting period which have material impact on the Company's operation.

53 Figures for the previous year have been regrouped / rearranged wherever necessary.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DIXON TECHNOLOGIES (INDIA) LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated Balance Sheet as at 31 March 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to on the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2020, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 54 of the consolidated financial statements and 'Emphasis of Matter' paragraph given by auditor of a subsidiary Company which is reproduced as below:

a. Tri-party agreements have been entered among the subsidiary company, suppliers and distributors for setting off Import payable to the suppliers against amount receivable from the distributors amounting to ₹ 33,331.92 lakhs. In this regard, the subsidiary company had filed application dated 3rd January 2019 with RBI on 17th January 2019 for approval, and approval was received on 22nd October, 2019. Based on the approval, the subsidiary company has set off trade receivable amounting to ₹ 30,731.91 lakhs and trade payables amounting to ₹ 30,731.91 lakhs in the books of account. Balance of ₹ 2,600.01 lakhs was adjusted by further transactions entered into, after the filing of the application with RBI.

b. Apart from above, the subsidiary company has filed one more application with RBI dated 16th March 2020 for setting off Import payable to the suppliers against amount receivable from the distributors amounting to ₹ 13,561.16 lakhs. Based on the RBI application, the subsidiary company has set off the import payable amounting to ₹ 13,435.10 Lakhs and trade receivable from distributors ₹ 13,354.16 Lakhs and obsolete inventory of import vendors ₹ 80.94 lakhs. The approval from RBI is still in process.

   Our Opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Description of the Key audit matter

Key audit matter	Auditor's response
Revenue Recognition	
1. Revenue from the sale of goods is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. 2. Revenue is recognised when the Group performs its obligation and the control of the goods is transferred to the customer, generally on delivery of the goods and its acceptance or deemed acceptance by the customer. 3. The timing of revenue recognition is relevant to the reported performance of the Group. Revenue may be recognised before completion of contractual performance obligation due to incorrect recording of point of time when the customer obtains control of the asset. Accordingly, this has been considered as key audit matter. (Refer to the Accounting Policy 2.12 to the consolidated financial statements)	1. We assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. 2. We read the contracts with customer to determine appropriateness of revenue recognition. 3. We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition and control over revenue cut-off at year-end. 4. We evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the group's IT systems. 5. We performed substantive testing by selecting samples of sales using statistical sampling and tested the underlying documentation supporting the sales, which includes sales invoices, delivery notes etc. 6. We assessed the adequacy of disclosures made. 7. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end, to determine whether the revenue had been recognised in the appropriate financial period.
Incentive income recognition	
The Group has operating facilities at various locations and based on the various incentive schemes of the respective state Government, the Group is eligible for the incentives. The Group is required to fulfil the conditions mentioned in the notification/circular pertaining to that scheme for eligibility of incentive. The management applies its judgement for the recognition of incentive income. Where in the final determination of the claim accepted by the authorities can be modified/delayed. Given the complexity and magnitude of potential exposures across the Group, and the judgement involved, this is a key audit matter.	We have examined the processes and controls relating to recognition and measurement of incentive income. In this connection, we have: - Reviewed Government schemes and policy relating to incentives of the respective state governments - Examined registration for the scheme, subsequent departmental orders and regulations issued from time to time. - Checked the eligibility criteria including investment made by the Group. - Performed substantive procedures for calculation of eligible amount of incentives and the claims made by the Group. - Reviewed management assessment for likelihood of recoverability.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in Director's Report, Management Discussions and Analysis (MD&A) and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon, which we obtained on the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of two subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 16,605.67 lakhs as at 31 March, 2020, total revenues of ₹ 51,796.20 lakhs, profit after tax pf ₹ 1,112.00 lakhs, total comprehensive income of ₹ 1,115.99 lakhs and net cash outflows amounting to ₹ 33.07 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies and its jointly controlled company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its joint venture and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements of the subsidiaries, the remuneration paid by the Holding Company and its subsidiaries and joint venture to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture-Refer Note 38 (a) to the consolidated financial statements.

ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer Note 38 (f) to the consolidated financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. Refer Note 38 (e) to the consolidated financial statements.

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

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 20087701AAAABD9083

Place: Delhi
Date: 11 June, 2020

ANNEXURE A

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of Dixon Technologies (India) Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the 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 subsidiary companies and its joint venture as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls 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 with reference to financial statements of the Holding Company, its subsidiary company and its joint venture as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 subsidiary companies and its joint venture, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 20087701AAAABD9083

Place: Delhi
Date: 11 June, 2020

CONSOLIDATED BALANCE SHEET

FOR THE YEAR AS AT 31 MARCH, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
(a)Property, plant and equipment	5	31,137.61	23,622.30
(b)Capital work-in-progress		955.21	1,877.07
(c)Intangible assets	6	437.12	472.05
(d)Right -of-use asset	41	9,017.01	-
(e)Goodwill	50	816.65	-
(f)Financial assets			
i. Trade receivables	7	-	14,822.75
ii. Other financial assets	8	912.00	539.99
(g)Deferred tax assets (Net)	37	25.29	159.75
(h)Other non-current assets	9	1,802.56	812.92
		45,103.45	**42,306.83**
Current assets			
(a)Inventories	10	49,784.35	40,835.78
(b)Financial assets			
i. Investments	17	-	760.55
ii. Trade receivables	11	51,511.93	51,674.37
iii.Cash and cash equivalents	12	9,565.64	1,442.70
iv.Bank balances other than note 'iii' Above	13	450.31	2,229.44
v. Other financial assets	14	3,125.55	2,017.96
(c)Other current assets	15	9,999.65	7,942.27
(d)Current tax assets	16	180.94	34.56
		1,24,618.37	**1,06,937.63**
TOTAL ASSETS		**1,69,721.82**	**1,49,244.46**
EQUITY AND LIABILITIES			
Equity			
(a)Equity share capital	18	1,157.01	1,132.51
(b)Other equity	19	52,976.24	36,689.27
		54,133.25	**37,821.78**
Liabilities			
Non-Current Liabilities			
(a)Financial liabilities:			
i. Borrowings	20	1,101.75	614.49
ii. Trade Payables	24	-	15,788.80
iii.Other Financial Liabilities	25	8,836.08	-
(b)Provisions	21	650.04	463.14
(c)Deferred tax liabilities (net)	37	1,501.96	1,598.46
(d)Other non-current liabilities	22	99.84	52.49
		12,189.67	18,517.38
Current Liabilities			
(a)Financial liabilities:			
i. Borrowings	23	7,180.33	12,994.37
ii. Trade payables	24		
- Outstanding dues of Micro and small enterprises		1,759.24	2,488.44
- Outstanding dues of others		92,146.71	71,480.03
iii. Other financial liabilities	25	1,217.80	2,194.02
(b)Other current liabilities	26	539.49	2,818.17
(c)Provisions	27	438.53	332.87
(d)Current tax liabilities	28	116.80	597.40
		1,03,398.90	**92,905.30**
TOTAL EQUITY AND LIABILITIES		**1,69,721.82**	**1,49,244.46**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31 March, 2020	Year Ended 31 March, 2019
	INCOME			
1	Revenue from operations	29	4,40,011.74	2,98,444.62
2	Other income	30	519.80	563.40
3	**Total income (1+2)**		**4,40,531.54**	**2,99,008.02**
4	**EXPENSES**			
	(a) Cost of materials consumed	31	3,91,334.13	2,59,461.34
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(5,313.61)	1,465.58
	(c) Employee benefits expense	33	11,795.78	8,387.16
	(d) Finance costs	34	3,496.72	2,503.59
	(e) Depreciation and amortisation expense	35	3,652.52	2,165.25
	(f) Other expenses	36	19,889.17	15,643.84
	Total expenses (4)		**4,24,854.71**	**2,89,626.76**
5	Profit before exceptional items and tax (3-4)		15,676.83	9,381.26
6	Exceptional items		-	-
7	**Profit before tax (5-6)**		**15,676.83**	**9,381.26**
8	Tax expenses:	37		
	(a) Current tax		4,066.31	2,442.55
	(b) Deferred tax		(402.05)	526.84
	(c) Mat credit entitlement		(78.28)	(15.95)
	(d) Income tax for earlier years (net)		40.84	92.01
	Tax expense (8)		**3,626.82**	**3,045.45**
9	Profit for the year (7-8)		**12,050.01**	**6,335.81**
10	**Other Comprehensive Income ('OCI')**			
	(a) Items that will not be reclassified to profit or loss		(60.96)	(10.30)
	(b) Income tax relating to items that will not be reclassified to profit or loss		15.62	3.59
	Other Comprehensive Income for the Year (Net of Tax)		**(45.34)**	**(6.71)**
11	**Total Comprehensive Income for the Year (9+10)**		**12,004.67**	**6,329.10**
12	Earnings per share	42		
	(Nominal value of share ₹ 10)			
	(a) Basic		105.55	55.94
	(b) Diluted		102.70	55.14

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2020

a. Equity share capital

(₹ in Lakhs)

Particular	
Balance as at 1st April 2018	**1,132.51**
Add: Shares issued during the year	-
Balance as at 31st March 2019	**1,132.51**
Add: Shares issued under ESOP scheme (see note 45)	24.50
Balance as at 31st March 2020	**1,157.01**

b. Other equity

(₹ in Lakhs)

	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, 2018	**703.36**	**9,600.02**	**33.24**	**-**	**20,083.91**	**(55.59)**	**30,364.94**
Profit for the year	-	-	-	-	6,335.81	-	6,335.81
Dividend paid	-	-	-	-	(226.50)	-	(226.50)
Dividend distribution tax	-	-	-	-	(46.56)	-	(46.56)
Reversal of provision for expenses of initial public offer	-	4.03	-	-	-	-	4.03
Share options expenses for the year	-	-	-	264.26	-	-	264.26
Remeasurement Gain/(Loss) on actuarial valuation (net)	-	-	-	-	-	(6.71)	(6.71)
Balance as at 31 March, 2019	**703.36**	**9,604.05**	**33.24**	**264.26**	**26,146.66**	**(62.30)**	**36,689.27**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2020

b. Other equity (Contd..)

(₹ in Lakhs)

	Reserves and surplus					Other Comprehensive Income	Total
	General Reserve	Securities Premium	Capital Redemption Reserve	Share Option Outstanding	Retained Earnings	Remeasurement of Defined Benefit Plans	
Profit for the year	-	-	-	-	12,050.01	-	12,050.01
Dividend paid	-	-	-	-	(689.31)	-	(689.31)
Dividend distribution tax	-	-	-		(141.69)	-	(141.69)
Share options expenses for the year	-	-	-	568.12	-	-	568.12
Transfer to General reserve for the shares issued in current year	405.77	-	-	(405.77)	-	-	-
Premium on issue of share under ESOP Scheme	-	4,545.18	-	-	-	-	4,545.18
Remeasurement Gain/(Loss) on actuarial valuation (net)	-	-	-	-	-	(45.34)	(45.34)
Balance as at 31 March, 2020	**1,109.13**	**14,149.23**	**33.24**	**426.61**	**37,365.67**	**(107.64)**	**52,976.24**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
A. Cash flow from operating activities		
Profit before tax	15,676.83	9,381.26
Adjustments for :		
Depreciation and amortisation expense	3,652.52	2,165.25
Finance costs	3,496.72	2,503.59
Profit on sale of property, plant and equipment	29.97	(10.42)
Gain /Loss on Exchange fluctuation on borrowings	243.53	21.16
Provision for impairment of property, plant and equipment	240.00	-
Provision for doubtful debts / loans and advances written back	(226.88)	(36.07)
Excess liabilities, credit balances, provisions etc. written back	(1.49)	(32.42)
Provision for doubtful debts / loans and advances	-	24.70
Share based payment of employees	568.12	264.26
Bad debts write off	394.12	239.65
Gain on mutual funds	(3.34)	(33.94)
Interest income	(274.60)	(216.06)
	23,795.50	**14,270.96**
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(6,685.57)	(8,601.77)
Trade receivables		
- non current	29,478.26	(14,599.31)
- current	7,921.08	(22,052.16)
Other financial assets		
- non current	(368.49)	(515.46)
- current	(979.62)	(356.86)
Other assets		
- non current	6.03	422.45
- current	(1,519.47)	(1,787.94)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables		
- non current	(31,556.50)	15,788.80
- current	10,487.48	22,530.81
Provisions		
- non current	178.79	90.44
- current	105.63	(48.81)
Other liabilities		
- non current	(6.14)	52.49
- current	(2,407.89)	(4,031.57)
Other financial liabilities	(420.62)	358.09
Cash generated from operating activities	**28,028.49**	**1,520.16**
Current taxes paid (net)	(4,294.20)	(1,826.52)
Net cash generated from/(used in) operating activities	**23,734.29**	**(306.36)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(10,971.72)	(8,061.23)
Sale proceeds of property, plant and equipment	162.71	164.60
Purchase of investments	-	(760.55)
Purchase of share of Joint Control Entities	(2,700.00)	
Sale of investments	1,521.10	1,111.69
Income from mutual funds	3.34	33.94
Other bank balances increase /(decrease)	1,779.13	916.29
Interest income received	274.60	216.06
Net cash generated from/(used in) investing activities	**(9,930.84)**	**(6,379.20)**
C. Cash flow from financing activities		
Interest paid	(3,774.62)	(2,505.65)
Proceeds from issue of share	4,569.68	-
Proceeds from Non current borrowings	113.54	(89.85)
Proceeds / (repayment) of short term borrowings	(5,814.04)	9,730.10
Dividend paid	(689.11)	(226.50)
Payment of dividend distribution tax	(141.69)	(46.56)
Net cash generated from/(used in) financing activities	**(5,736.24)**	**6,861.54**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**8,067.21**	**175.98**
Cash and cash equivalents at the beginning of the year	1,442.70	1,266.72
Cash on Acquisation of Stake in Joint venture	55.73	-
Cash and cash equivalents at the end of year (refer note 12)	**9,565.64**	**1,442.70**

Notes:

i. The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.

ii. Figures in brackets indicate cash outflow.

iii. Figures for the previous year have been regrouped wherever considered necessary.

iv. Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The Dixon Technologies (India) Limited ('the Company' or 'the Holding Company') is a Public Limited Company incorporated in India having its registered office located at B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh, India- 201305. The Company's CIN - L32101UP1993PLC066581. It was incorporated as per the provisions of the Companies Act as Dixon Utilities and Exports Private Limited in the year 1993. The Company is listed on BSE Limited and National Stock Exchange of India Limited.

The Company transformed from being a manufacturer of electronic goods to leading multi-product corporation with widespread activities. The Company is primarily engaged in the manufacturing of electronics as its core business activity. It has two wholly owned Subsidiary Companies namely "Dixon Global Private Limited" and "Padget Electronics Private Limited and one Joint Venture company namely "AIL Dixon Technologies Private Limited". The Parent Company, its subsidiaries and Joint Venture company together referred as "the Group". (See note 50)

2 BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Consolidated Financial statements ('CFS') have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies(Indian Accounting Standards) Amendment Rules, 2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

The Consolidated Financial statements for the year ended 31 March, 2020 have been approved by the Board of Directors in their meeting held on 11 June, 2020.

2.2 Functional and Presentation Currency

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is also the Group's functional currency. All Financial information presented in INR has been rounded off to the nearest lakh as per the requirements of Schedule III of "the Act" , unless otherwise stated.

2.3 Use of Estimates and Judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

Useful lives of property, plant and equipment

The management reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The management reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2.8.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.17, 2.18 and 2.26.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2.4 Current vs. Non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.5 BASIS OF CONSOLIDATION

Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Consolidated subsidiary have a consistent reporting date. The Group consolidates the financial statements of the parent and its subsidiary on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary are in consistency with the policies adopted by the Group.

The Parent company have 100% control over its subsidiary so there is no Non controlling Interest.

Joint Venture

Investment in Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 – Joint Arrangements

For the information of consolidated entities refer note 50.

2.6 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on first in first out (FIFO) basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2.7 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.8 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income ('OCI') or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax includes Tax Credit under section 115JAA of Income Tax Act,1961 recognized as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which Tax credit is allowed to be carried forward. The Group review the "Tax Credit Entitlement" asset at each reporting date and writes down the assets to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

2.9 Property, Plant and Equipment

Recognition and Measurement:

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

2.10 Depreciation and Amortization

Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.

Based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each Financial year-end and adjusted, if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

2.11 Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the group. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

Group as a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the group applies the requirements of Ind AS 116 - Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 - Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

2.12 Revenue Recognition

The Group engaged in the manufacturing washing machine, moulding, mobiles and Other Electronics etc.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Description of performance obligations are as follows:

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales-related warranties associated with sale of goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Interest Income

For all debt instruments measured either at amortized cost or at Fair Value through Other Comprehensive Income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the Financial instrument or a shorter period, where appropriate, to the gross carrying amount of the Financial asset.

Dividend Income

Dividend Income from investments is recognized when the Group's right to receive payment has been established

Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Insurance claims

Insurance claims are accounted for on acceptance or to the extent amount have been received.

2.13 Employee Benefits

Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits

Leave, as the leave accrued, if any, laps at the end of the year and hence, no liability in respect of accrued leave arises.

Post Employment Benefits

The Group operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in Other Comprehensive Income. Remeasurement recognized in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the Statement of Profit and Loss as and when incurred.

Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

2.14 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

2.15 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

2.16 Borrowing Cost

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Group considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.17 Financial Instruments

A Financial instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or equity instrument of another entity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets

Recognition and Initial Measurement:

All Financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A Financial asset is initially measured at fair value plus, in the case of Financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

Classification and Subsequent Measurement:

For purposes of subsequent measurement, Financial assets are classified in four categories:

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing Financial assets.

- o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and
  - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
- o Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.
- o All other Financial instruments are classified as measured at FVTPL.

Derecognition

The Group derecognizes a Financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Group assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the Financial asset has increased significantly since initial recognition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Liabilities

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

Derivative Financial instruments:

The Group enters into derivative Financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Group does not hold derivative Financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of profit and loss immediately.

2.18 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

2.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Consolidated Financial Statements.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

2.20 Intangible Assets

Recognition and Measurement

Other Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

- Other Intangible assets are amortized over a period of three to six years.

- The amortization period and the amortization method are reviewed at least at the end of each Financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

2.21 Investment properties

Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Upon initial recognition, an investment Property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the Statement of Profit and Loss

The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of "the Act".

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

2.22 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the consolidated financial statements. The operating segments have been identified on the basis of the nature of products/services:

Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

Income which relates to the Group as a whole and not allocable to segments is included in Unallocable income.

Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

2.23 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.24 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.25 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's Financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

2.26 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial statements are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3 Recent accounting pronouncements

During the year and subsequent to year end, the Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards which have material impact on the financial statements in current year and in any other financial year.

4 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated Financial Statements is included in the following notes:

a. Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

b. Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

c. Classification of Leases: The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

d. Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

e. Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

f. Impairment of Financial Assets: The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

g. Allowances for Doubtful Debts: The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

h. Fair value measurement of Financial Instruments: When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

i. Warranty : Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5 Property, plant and equipment

(₹ in Lakhs)

	Land	Office buildings	Factory buildings	Residential Building	Electric installations	Plant and machinery	Tools and dies	Fan, coolers, air conditioners etc.	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
At cost or deemed cost													
Balance as at 01 April, 2018	1,017.64	347.97	4,461.34	-	585.47	9,932.45	1,778.90	315.62	172.58	945.71	539.51	380.19	20,477.38
Additions	-	129.42	437.18	-	141.53	5,623.73	611.36	61.64	88.26	656.25	31.61	182.64	7,963.62
Disposals	-	-	-	-	-	105.59	50.41	0.21	-	7.84	17.60	0.58	182.23
Balance as at 31 March, 2019	**1,017.64**	**477.39**	**4,898.52**	**-**	**727.00**	**15,450.59**	**2,339.85**	**377.05**	**260.84**	**1,594.12**	**553.52**	**562.25**	**28,258.77**
Adjustment on acquisition of share of joint venture (see note 50)	-	-	168.31	-	59.29	1,582.34	18.94	-	10.46	72.69	0.36	77.06	1,989.45
Additions	176.18	10.52	2,747.57	464.95	631.40	3,428.94	560.44	120.48	214.01	433.56	282.96	154.29	9,225.30
Disposals	-	-	-	-	-	135.44	122.45	0.38	-	7.45	15.77	6.19	287.68
Balance as at 31 March, 2020	**1,193.82**	**487.91**	**7,814.40**	**464.95**	**1,417.69**	**20,326.43**	**2,796.78**	**497.15**	**485.31**	**2,092.92**	**821.07**	**787.41**	**39,185.84**
Accumulated depreciation and impairment													
i. Accumulated depreciation													
Balance as at 01 April, 2018	15.78	11.74	254.81	-	96.87	1,299.74	244.64	106.35	41.85	158.01	137.81	163.04	2,530.64
Charge for the Year	7.89	6.48	175.93	-	73.38	1,130.12	203.76	74.14	46.20	139.49	80.14	133.10	2,070.63
Disposals	-	-	-	-	-	15.58	3.24	0.14	-	1.99	6.68	0.42	28.05
Balance as at 31 March, 2019	**23.67**	**18.22**	**430.74**	**-**	**170.25**	**2,414.28**	**445.16**	**180.35**	**88.05**	**295.51**	**211.27**	**295.72**	**4,573.22**
Adjustment on acquisition of share of joint venture (see note 50)	-	-	16.46	-	16.77	141.49	1.65	-	4.91	21.63	0.11	45.21	248.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5 Property, plant and equipment (Contd..)

(₹ in Lakhs)

	Land	Office buildings	Factory buildings	Residential Building	Electric installations	Plant and machinery	Tools and dies	Fan, coolers, air conditioners etc.	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
Charge for the Year	7.89	7.89	247.08	12.27	117.83	1,708.15	333.16	83.52	69.55	190.20	78.14	163.07	3,018.75
Disposals	-	-	-	-	-	78.74	1.06	0.37	-	2.90	10.94	1.21	95.22
Balance as at 31 March, 2020	**31.56**	**26.11**	**694.28**	**12.27**	**304.85**	**4,185.18**	**778.91**	**263.50**	**162.51**	**504.44**	**278.58**	**502.79**	**7,744.98**
ii. Impairment Losses													
Balance as at 01 April, 2018	**-**	**-**	**-**	**-**	**-**	**56.80**	**6.45**	**-**	**-**	**-**	**-**	**-**	**63.25**
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2019	**-**	**-**	**-**	**-**	**-**	**56.80**	**6.45**	**-**	**-**	**-**	**-**	**-**	**63.25**
Additions	-	-	-	-	-	240.00	-	-	-	-	-	-	240.00
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2020	**-**	**-**	**-**	**-**	**-**	**296.80**	**6.45**	**-**	**-**	**-**	**-**	**-**	**303.25**
Net carrying amount													
As at 31 March, 2019	**993.97**	**459.17**	**4,467.78**	**-**	**556.75**	**12,979.51**	**1,888.24**	**196.70**	**172.79**	**1,298.61**	**342.25**	**266.53**	**23,622.30**
As at 31 March, 2020	**1,162.26**	**461.80**	**7,120.12**	**452.68**	**1,112.84**	**15,844.45**	**2,011.42**	**233.65**	**322.80**	**1,588.48**	**542.49**	**284.62**	**31,137.61**

Notes:

i. Free hold land includes land purchased in auction held by a Nationalised bank in the year 2016-17 marked as Plot no C 2/1,selaqui, Dehradun, Uttarakhand and registered in the name of the company. During the said year and thereafter, a party has instituted legal case disputing our ownership of the said land at various courts/ tribunals, including Hon'ble Debt Recovery Tribunal at Lucknow and Dehradun ('DRT') and Hon'ble Debt Recovery Appellate Tribunal, Allahabad ('DRAT') and Hon'ble Nainital High Court. The matters contested at DRT and DRAT has been decided in the favor of the Company. Further, the Group, being bonafide purchaser of the said land under the auction carried out by the Bank as per SARFAESI Act, 2002 is successfully defending the matters at Hon'ble Nainital High Court. As on date, the matter is sub-judice. The cost of land is ₹ 250.34 Lakhs and capital assets created thereon as on 31 March, 2020 is ₹1,477.78 Lakhs.

ii. Land includes leasehold land having gross block amounting to ₹ 651.72 lakhs , accumulated depreciation of ₹ 31.56 lakhs and net block amounting to ₹ 620.16 lakhs.

iii. Information of the assets pledge as security, refer note 20, 23 and 39.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software
At cost or deemed cost	
Balance as at 01 April, 2018	**32.21**
Additions	545.28
Disposals	-
Balance as at 31 March, 2019	**577.49**
Adjustment on acquisition of share of joint venture (see note 50)	8.91
Additions	51.77
Disposals	-
Balance as at 31 March, 2020	**638.17**
Accumulated amortisation	
Balance as at 01 April, 2018	**10.82**
Charge for the year	94.62
Disposals	-
Balance as at 31 March, 2019	**105.44**
Adjustment on acquisition of share of joint venture (see note 50)	5.69
Charge for the year	89.92
Disposals	-
Balance as at 31 March, 2020	**201.05**
Net carrying amount	
At 31 March, 2019	**472.05**
At 31 March, 2020	**437.12**

7 Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables		
i. Unsecured, considered good	-	14,822.75
	-	**14,822.75**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8 Other non-current financial assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Amount paid under protest to government department	224.31	210.15
b. Security deposits	687.69	329.84
	912.00	**539.99**

9 Other non-current assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Capital advances	1,802.56	812.92
b. Other advances		
- considered doubtful	28.58	14.72
Less : Provision for doubtful advances	(28.58)	(14.72)
	-	-
	1,802.56	**812.92**

10 Inventories

(Lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Raw materials and packing materials etc.		
- in stock	31,188.62	27,552.96
- in transit	3,167.62	3,612.23
b. Work-in-progress	11,202.42	7,191.64
c. Scrap	-	61.51
d. Finished goods	4,225.69	2,417.44
	49,784.35	**40,835.78**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11 Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables		
i. Unsecured, considered good	51,511.93	51,674.37
ii. Unsecured, consider doubtful	147.33	366.12
	51,659.26	**52,040.49**
Less: Provision for doubtful receivables	147.33	366.12
	51,511.93	**51,674.37**

12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Balances with banks	9,520.60	1,411.21
b. Cash in hand	45.04	31.49
	9,565.64	**1,442.70**

13 Bank balances other than note 12 above

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Balance in unpaid dividend account	0.32	0.12
b. Fixed deposit with banks (held as margin money against letter of credit)	449.99	2,229.32
	450.31	**2,229.44**

14 Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Security deposits	105.36	134.61
b. Loan to Realated Party	228.00	-
c. Advances to employees	125.99	87.51
d. Amount receivables from government authorities (Incentive receivables and refund recoverable)	831.22	1,795.84
e. Outstanding forward Marked to Market (MTM)	1,616.16	-
f. Other receivables	218.82	-
	3,125.55	**2,017.96**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15 Other current assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Balance with Government Authorities	8,617.40	6,716.78
(Goods and services tax, sales tax, custom duty, export incentive etc.)		
b. Advances to suppliers	1,063.36	990.86
c. Prepaid expenses	318.89	234.63
	9,999.65	**7,942.27**

16 Current tax assets

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Advance income tax (net)	180.94	34.56
	180.94	**34.56**

17 Investments

(current)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Investments in mutual funds		
(Fair value through profit and loss)		
i Aditya Birla Liquid Fund	-	508.78
(As at 31 March, 2020: Nil units (As at 31 March, 2019: 3,293,428 units)		
ii HDFC Liquid Fund		
(As at 31 March, 2020: Nil units (As at 31 March, 2019: 6,878 units)	-	251.77
	-	**760.55**
Aggregate book value of unquoted investments	-	760.55
Aggregate market value of unquoted investments	-	760.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18 Equity share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No of shares	₹ / Lakh	No of shares	₹ / Lakh
Authorised				
Equity shares of ₹10/-each	2,60,00,000	2,600.00	2,60,00,000	2,600.00
Issued, subscribed and paid-up				
Equity shares of ₹10/- each fully paid up	1,15,70,141	1,157.01	1,13,25,091	1,132.51
	1,15,70,141	1,157.01	**1,13,25,091**	**1,132.51**
a. Reconciliation of equity shares				
Balance as at the beginning of the year	1,13,25,091	1,132.51	1,13,25,091	1,132.51
Add: shares issued during the year	2,45,050	24.50	-	-
Balance as at the end of the year	**1,15,70,141**	**1,157.01**	**1,13,25,091**	**1,132.51**

b. Terms and rights of equity shareholders

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each share holders. There is no restriction on distribution of dividend, however, the same is subject to the approval of the share holders in the annual general meeting except in the case of interim dividend.

c. Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Mr. Sunil Vachani		
No's of shares	40,11,208	41,96,208
(In %)	34.67%	37.05%
Mrs. Kamla Vachani		
No's of shares	9,88,044	10,64,181
(In %)	8.54%	9.40%
SBI Magnum Global fund		
No's of shares	9,55,694	11,01,369
(In %)	8.26%	9.73%
Reliance Capital Trustee Company Limited		
A/C reliance growth fund		
No's of shares	7,71,202	8,41,488
(In %)	6.67%	7.43%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

d.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2019: ₹ 2 per share (previous year ₹ 2 per share)	226.30	226.38
Dividend Distribution Tax on final dividend	46.56	46.56
Interim dividend for the year ended on 31 March 2020: ₹ 4 per share (previous year ₹ nil per share)	462.81	-
Dividend Distribution Tax on interim dividend	95.13	-
	830.80	**272.94**
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2020: ₹ nil per share (₹ 2 per share)	-	226.50
Dividend Distribution Tax on proposed dividend	-	46.56
	-	**273.06**

e. The Authorised Share Capital of the company has been re-classified/consolidated from 19,995,000 equity shares of ₹ 10/- each and 5,000 preference shares of ₹10/- each to 20,000,000 equity shares of ₹ 10/- each on 18th April 2017. Further on 20th April 2017, Authorised Share Capital of the Company has been increased to ₹ 2.600.00 Lakh divided in to 26,000,000 equity shares of ₹10/- each.

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company has allotted 6,277,337 fully paid up shares of face value ₹ 10 each during the year ended 31st March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held.

g. Share holding pattern with respect of Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

h. Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31st March 2018, for 33,93,425 equity shares of ₹10 each, comprising of 3,39,750 fresh issue of equity shares by the Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1766 per share (including premium of ₹ 1756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 5999.99 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Company on 14th September 2017 and the shares of the Company were listed on the stock exchanges on 18th September 2017.

i. Shares reserved for issue under option

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 45. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the Company on or before the vesting date

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19 Other equity

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. General reserve	1,109.13	703.36
b. Securities premium	14,149.23	9,604.05
c. Capital redemption reserve	33.24	33.24
d. Other comprehensive income	(107.64)	(62.30)
e. Share option outstanding account	426.61	264.26
f. Retained earnings	37,365.67	26,146.66
	52,976.24	**36,689.27**
a. General reserve-		
Opening balance	703.36	703.36
Add: Transfer from ESOP outstanding	405.77	-
Closing balance	**1,109.13**	**703.36**
b. Securities premium		
Opening balance	9,604.05	9,600.02
Add: Premium on issue of share under ESOP Scheme (see note 45)	4,545.18	-
Add: Reversal of provision for expenses of initial public offer	-	4.03
Closing balance	**14,149.23**	**9,604.05**
c. Capital redemption reserve		
Opening balance	33.24	33.24
Closing balance	**33.24**	**33.24**
d. Other comprehensive income-		
Remeasurement of defined benefit plans		
Opening balance	(62.30)	(55.59)
Movement during the year	(45.34)	(6.71)
Closing balance	**(107.64)**	**(62.30)**
e. Share option outstanding		
Opening balance	264.26	-
Add : Granted/ vested during the year	568.12	264.26
Less : Excercised during the year (Refer note 45)	(405.77)	-
Closing balance	**426.61**	**264.26**
f. Retained earnings		
Opening balance	26,146.66	20,083.91
Add : Profit for the year	12,050.01	6,335.81
Less: Appropriation		
Final dividend on equity shares	226.50	226.50
Dividend distribution tax on final dividend	46.56	46.56
Interim dividend on equity shares	462.81	-
Dividend distribution tax on interim dividend	95.13	-
Closing balance	**37,365.67**	**26,146.66**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19 Other equity (Contd..)

Notes:

a. **General reserve:**

The Company has transferred a part of the net profit of the Company to general reserve in 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 reserve.

c. **Capital Redemption reserve:**

The reserve has been created by buy back of equity shares and fully convertible cumulative participatory preference shares.

d. **Other comprehensive income:**

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

e. **Share option outstanding:**

The above reserve relates to share options granted by the Company to its employees under its employee share option plan.

f. **Retained earnings:**

Retained earnings are profits of the Company earned till date less transferred to other reserves and dividend paid during the year.

20 Non current borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
i. From banks		
(Secured)		
a. Foreign currency loans		
- Standard Chartered Bank (see note 'a' below)	266.07	569.64
b. Rupee loan		
- Vehicle Loans (see note 'c' below)	202.15	51.60
- Yes Bank Limited	-	269.77
- Term Loan (see note 'b' below)	**650.00**	-
	1,118.22	**891.01**
ii. From others		
(Secured)		
- Tata Capital Housing Finance Limited (see note 'd' below)	164.05	178.79
- Bajaj Finance Limited (see note 'e' below)	180.11	-
- Vehicle Loans (see note 'c' below)	24.55	51.89
	368.71	**230.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

20 Non current borrowings (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
iii. From others		
(Un secured)		
- Finance lease obligations	-	8.17
	-	8.17
Total	**1,486.93**	**1,129.86**
Less: Current maturities of long term borrowings (refer note 23)	385.18	515.37
	1,101.75	**614.49**

Notes:

a. USD 20,00,000 Foreign currency loan (sanctioned) from Standard Chartered Bank is secured against first pari passu charge on movable Property, Plant and Equipment excluding vehicles (both Present & future), and on immovable Plot B-14-15, Phase-II, Noida (UP) (including building) and second charges on current assets (both Present and future), further secured by personal guarantee of Chairman Mr. Sunil Vachani and is repayable in 17 Quarterly instalments from December, 2016. Last instalment payable on December, 2020. Rate of loan interest Libor+275 BPS and loan is fully hedged.

b. Term loan of ₹ 650.00 lakhs from Qatar bank is repayable in 8 half yearly instalments, 40% in 4 equal half yearly instalments from 31 July, 2022 and remaining 60% in rest 4 equal half yearly instalments . Rate of interest on loan is linked to one year MCLR of bank and interest is to be paid on monthly basis. The loan is secured against exclusive charge on land, building and machinary, current assets and including cash flows of the said project with security cover of 1.25 times and exclusive mortgage and hypothecation charge on current assets.

c. Vehicle loans are secured by way of hypothecation of the related assets. These are repayable in maximum sixty equal monthly instalments, repayment period from 2014 ending on 2022, bearing interest rate varying from 8.70% p.a to 10.24% p.a.

d. Loan is secured by mortgage of the related asset and is repayable in 120 monthly instalments from Aug' 2017 to Aug' 2027 bearing interest rate of 9.15% p.a.

e. One of the subsidiary company has obtained credit facility-Term Loan 500 lakhs (Sanctioned amount) secured by first and exclusive hypothecation charge on all existing and future current assets and movable fixed assets and is repayable in 20 quarterly instalments from June 2020 to March 2025 bearing a floating interest rate (9.40% per annum as of March 31, 2020).

21 Provisions

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Provision for employee benefit		
i. Provision for gratuity (see note 46)	650.04	463.14
	650.04	**463.14**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22 Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Deferred Government Grant - MSIP's Incentive	99.84	52.49
(MSIP's Incentive approved by "Ministry of Electronics & Information Technology, India")		
	99.84	**52.49**

23 Short term borrowings

(at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. From Banks (Secured)		
i. Buyer Credits (Refer note 'a')	4,680.33	-
ii. Working Capital Loan	-	12,994.37
b. From Banks (Unsecured)		
i. Commercial Paper (Refer note 'b')	2,500.00	-
	7,180.33	**12,994.37**

Notes:

i. Borrowings from banks (comprising of vendor financing) are secured on pari-passu basis over all the present and future book debts and stock-in-trade comprising of raw material, Components , work in progress and finished goods . These are further secured by first pari-passu on entire block of (present and future) Property, Plant and Equipment comprising of land, building, plant and machinery etc. coupled with equitable mortgage of land and property at B-14 & B-15, Phase-II and Exclusive Charge over C-33 Phase II Noida (UP) and Exclusive Charge over Industrial Property located at Plot 18, Block B, Phase II, Noida (UP), Exclusive Charge over Industrial Property located Khasra No. 1050, Central Hope Town, Industrial Area, Selaqui, Dehradun (Uttarakhand).Exclusive Charge on movable Fixed Assets of the unit located at plot no 262M, Industrial area, Central hope Town, Selaqui, and District - Dehradun (both Present and Future).First Parri Passu Charge over Movable Fixed Assets of unit located at C-1 Selaqui industrial Area, Dehradun (Uttrakhand).First Parri Passu charge over current assets of CO Borrower (DGPL), both present and future for Co Borrowers Limits ..First Passi Passu Charge (with Bank's overseas Business Unit {OBU} only) on the entire moveable fixed assets (except those excllusively charged to other lenders) of the borrower, both present and future.Second Parri Passu Charge by way of equitable mortgage over the immovable fixed assets at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh.Second Parri Passu Charge on the entire equitable mortgage over the immovable fixed assets (except those excluisively charges to other lenders) at plot no 14 & 15, Block B, Phase 2, Noida Uttar Pradesh.

ii. Commercial paper for ₹ 2,500 lakhs has been issued through IPA account with HDFC bank to HDFC bank on 5 March, 2020 for a period of 90 days and bearing interest rate of 7.5%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

24 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
A. Non-current		
a. For outstanding dues of Micro and Small enterprises (see note 40)	-	-
b. Outstanding dues of others	-	15,788.80
	-	**15,788.80**
B. Current		
a. For outstanding dues of Micro and Small enterprises (see note 40)	1,759.24	2,488.44
b. Outstanding dues of others	92,146.71	71,480.03
	93,905.95	**73,968.47**

25 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
A) Non Current		
Payable for Lease Obiligation	8,836.08	-
	8,836.08	**-**
B) Current		
a. Current maturities of long term borrowings (see note 'i' below)	385.18	515.37
b. Outstanding forward Marked to Market (MTM)	4.31	384.54
c. Unpaid dividend	0.32	0.12
d. Payable for purchase of property, plant and equipment	278.66	1,269.76
e. Interest accrued but not due on Borrowings	31.80	24.23
f. Employee related liabilities	78.22	-
g. Payable for lease obligation	439.31	-
	1,217.80	**2,194.02**

Notes:

i. For security clause and repayment terms of borrowings, refer note 20.

26 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Advances received from customers	45.55	455.10
b. Statutory dues payables	493.94	2,363.07
	539.49	**2,818.17**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27 Provisions

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Provision for employee benefits		
i. Provision for gratuity (see note 46)	66.90	45.68
b. For warranty	371.63	287.19
	438.53	**332.87**

Note:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Movement in provision for warranty		
Opening balance	287.19	305.84
Additional provision made during the year	544.76	673.02
Provision reversed/claim paid during the year	460.32	691.67
Closing provision	**371.63**	**287.19**

Basis of warranty:

The Group gives thirty months warranty on LED bulbs and twelve months warranties on television and washing machines. LED bulbs are replaced with new bulbs and in respect of televisions and washing machine defective part is changed.

28 Current tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for income tax (net)	116.80	597.40
	116.80	**597.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

29 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Sale of products	4,35,787.62	2,95,940.21
	4,35,787.62	**2,95,940.21**
Other operating revenue		
Service charges received	30.00	560.08
Export benefits	5.68	101.93
Job work charges	3,921.81	1,274.86
Scrap sale	6.92	2.19
Rent received (production facility charges)	9.76	26.88
GST incentive on area base exemption	172.69	417.38
Other incentive	77.26	121.09
	4,224.12	**2,504.41**
	4,40,011.74	**2,98,444.62**

30 Other income

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Interest income		
-On fixed deposits/ margin money	218.90	190.06
-Others	55.70	26.00
Other non operating income		
Other receipts	6.14	9.17
Gain on mutual funds	3.34	33.94
Incentive income	7.14	3.57
Excess liabilities, credit balances, provisions etc. written back	1.49	32.42
Exchange fluctuations (net)	-	221.75
Provision for doubtful debts / loans and advances written back	226.88	36.07
Profit on sale of property, plant and equipment	0.21	10.42
	519.80	**563.40**

31 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Opening Stock	27,614.46	20,764.04
Add: Addition in stock on acquisition of shares of joint venture (see note 50)	1,757.58	
Add: Purchase (Including Components)	3,93,150.71	2,66,311.77
	4,22,522.75	**2,87,075.81**
Less: Closing Stock	31,188.62	27,614.47
	3,91,334.13	**2,59,461.34**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

32 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Inventories at the beginning of the year		
Finished Goods	2,417.44	6,041.56
Add: addition in finished goods on acquisition of 50% of joint venture (see note 50)	114.74	-
Work in Progress	7,191.64	5,033.10
Add: addition in work in progress on acquisition of shares of joint venture (see note 50)	390.68	-
	10,114.50	**11,074.66**
Inventories at the end of the Year		
Finished Goods	4,225.69	2,417.44
Work in Progress	11,202.42	7,191.64
	15,428.11	**9,609.08**
Changes in inventories of finished goods and work-in-progress	**(5,313.61)**	**1,465.58**

33 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Salaries and wages	9,234.80	6,675.77
Contribution to provident and other funds	499.29	383.80
Provision for gratuity	159.52	109.87
Share based payments to employees	568.12	264.26
Staff welfare expense	1,334.05	953.46
	11,795.78	**8,387.16**

34 Finance costs

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Interest on borrowings	2,901.42	2,459.02
Interest on lease obiligation	526.36	-
Other financial charges	68.94	44.57
	3,496.72	**2,503.59**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

35 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
On property, plant and equipment	3,018.75	2,070.63
On intangible assets	89.92	94.62
On right of use assets	543.85	-
Total	**3,652.52**	**2,165.25**

36 Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Consumption of stores and spares	531.54	247.70
Contractor wages	10,864.70	7,264.72
Service charge paid	0.11	759.99
Power and fuel	2,220.41	1,838.44
Rent	307.71	706.20
Repairs and maintenance:		
- for buildings	77.49	123.69
- for plant and equipment	186.57	431.21
- for others	274.97	212.69
Insurance	274.05	147.39
Rates and taxes	197.46	99.42
Selling and distribution expenses	1,490.40	1,490.50
Donations	3.77	16.11
Payment to auditors (refer note below)	27.99	38.85
Bad debts write off	394.12	239.65
Provision for doubtful debts / loans and advances	-	24.70
Provision for impairment of property, plant and equipment	240.00	-
Loss on sale of property, plant and equipment	29.97	-
Corporate social responsibility expenses	132.68	116.00
Exchange Fluctuations (Net)	176.61	-
Bank charges	447.29	127.95
Miscellaneous expenses	2,011.33	1,758.63
Total	**19,889.17**	**15,643.84**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

36 Other expenses (Contd..)

Note:

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Note:		
Payment to auditors comprises:		
Audit Fees	23.62	23.50
Tax Audit Fees	3.00	3.00
Out of pocket expenses	1.37	4.18 #
Certification fees	-	8.17 *
	27.99	**38.85**

* paid to the erstwhile auditor

Includes amounting to ₹ 3.66 Lakh Paid to erstwhile auditor

37 Tax expenses

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Current Tax	4,066.31	2,442.55
Deferred Tax	(402.05)	526.84
	3,664.26	**2,969.39**
MAT credit entitlement	(78.28)	(15.95)
Income Tax for earlier years (net)	40.84	92.01
	(37.44)	**76.06**
Tax expenses for the year	**3,626.82**	**3,045.45**

A. Reconciliation of income tax expense to statutory income tax rate of income

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Profit before tax	15,676.83	9,381.26
Income tax Rate	25.63%	34.94%
Estimated income tax expense	4,017.28	3,278.19
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense :		
Non taxable income	(113.92)	(250.53)
Deffer Tax reverasal due to tax rate change	(479.55)	-
Effect on tax allowance	-	(163.96)
Adjustments recognised in current year in relation to the current tax of prior years	(1.32)	-
Expense disallowed under tax allowance	10.32	-
Impact of consolidation adjustments	111.71	-
Adjustment due to different tax rate in subsidiaries and joint venture company	2.82	-
Others	116.92	105.69
	3,664.26	**2,969.39**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

37 Other expenses (Contd..)

B. Summary of deferred tax

I. Deferred tax charge

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
A. Charge to profit and loss		
- Movement of deferred tax assets	(131.32)	63.93
- Movement of deferred tax liabilities	(533.37)	590.77
	(402.05)	**526.84**
B. Charge to Other comprehensive income		
- Movement of deferred tax assets	(0.26)	-
- Movement of deferred tax liabilities	(15.88)	(3.59)
	(15.62)	**(3.59)**

II. Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liability	1,601.11	2,291.96
Deferred tax assets	225.42	367.02
	1,375.69	**1,924.94**
Add: Adjustment on acquisition of share of joint venture (see note 50)	126.27	-
Add: Minimum alternative tax credit entitlement	-	326.48
	1,501.96	**1,598.46**

III. Movement in the deferred tax liabilities (net):

(₹ in Lakhs)

Particulars	As at 1 April, 2018	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2019
Deferred tax liabilities				
- Depreciation	1,764.88	527.08	-	2,291.96
	1,764.88	**527.08**	**-**	**2,291.96**
Deferred tax assets				
- Expenses allowed on payment basis	148.08	29.20	3.59	180.87
- Others	279.04	(92.89)	-	186.15
	427.12	**(63.69)**	**3.59**	**367.02**
	1,337.76	**590.77**	**(3.59)**	**1,924.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

37 Other expenses (Contd..)

(₹ in Lakhs)

Particulars	As at 1 April, 2019	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2020
Deferred tax liabilities				
- Depreciation	2,291.96	(10.21)	-	2,281.75
-Others	-	(681.84)	1.20	(680.64)
	2,291.96	**(692.05)**	**1.20**	**1,601.11**
Deferred tax assets				
- Expenses allowed on payment basis	180.87	30.14	17.08	228.09
- Others	186.15	(188.82)	-	(2.67)
	367.02	**(158.68)**	**17.08**	**225.42**
	1,924.94	**(533.37)**	**(15.88)**	**1,375.69**

IV. Movement in the deferred tax assets (net):

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax (net)		
Deferred tax assets	117.42	175.60
Deferred tax liability	185.07	111.67
	(67.65)	**63.93**
Add: Minimum alternative tax credit entitlement	92.94	95.82
	25.29	**159.75**

(₹ in Lakhs)

Particulars	As at 1 April, 2019	Recognised in Profit and loss	Recognised in OCI	As at 31 March, 2020
Deferred tax assets				
- Expenses allowed on payment basis	1.33	0.89	(0.26)	1.96
- Others	174.27	(58.81)	-	115.46
	175.60	**(57.92)**	**(0.26)**	**117.42**
Deferred tax liabilities				
- Depreciation	(111.67)	(73.40)	-	(185.07)
	(111.67)	**(73.40)**	**-**	**(185.07)**
	63.93	**(131.32)**	**(0.26)**	**(67.65)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

38 Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Contingent liabilities not provided in respect of		
i (a). Letters of Credit (outstanding)	63,425.74	24,026.60
i (b). Guarantees issued by bankers on behalf of Group to Bombay StockExchange and other Government Departments (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)	1,435.39	234.43
ii. Bill discounting with banks	9,590.98	9,917.74
iii. a. Bond given to custom department on behalf of the Joint venture company	4,950.00	12,125.00
b. Bond given to custom department under AEO	950.00	-
iv. Claims against the Group not acknowledged as debt		
a. Income tax	754.81	781.26
b. Sales tax	319.12	216.61
d. Goods and service tax	11.20	2.73
c. Excise custom duty and service tax	1,504.38	1,547.31
e. Other disputes	35.69	37.67
Summary of amount paid under protest		
i. Income tax	-	-
ii. Sales tax	43.04	41.20
iii. Excise custom duty and service tax	162.06	162.06
iv. Goods and service tax	15.05	2.74
v. Other disputes	4.15	4.15
	224.30	**210.15**

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

b. Capital commitments:

Commitments for acquisition of property, plant and equipment (net of advances)	2,777.12	210.92

c. During FY 2019-20, The Group has availed Non Fund based LC Limits of ₹ 48,000 Lakh from various Banks to import raw material relating to manufacture of finished goods in LED TV Business which has been backed by 105% Bank Guarantee amounting to ₹ 50,400 Lakh from one of the customer in LED TV business.

d. The Group have other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

e. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Group.

f. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

39 Assets mortgage as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are :

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current assets:		
Financial assets		
Trade receivables	50,464.68	43,940.09
Inventories	38,847.05	36,596.87
Total current assets mortgaged as security	**89,311.72**	**80,536.96**
Non-current:		
Land	911.92	743.62
Vehicles	530.47	329.74
Buildings	4,315.08	3,879.27
Plant and machinery (including dies, modules and electric installation)	11,773.28	8,302.21
Other assets	32.60	58.15
Total non-current assets mortgaged as security	**17,563.34**	**13,312.99**
Total assets mortgaged as security	**1,06,875.06**	**93,849.94**

40 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	1,759.24	2,488.44
- interest due	2.34	2.39
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	365.78	-
c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year	3.99	2.39
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	9.55	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

41 Leases

Right-of-use assets

i. Carrying value of right of use assets at the end of the reporting period

(₹ in Lakhs)

Particulars	Land and Buildings	Total
Balance as at 31 March, 2019	-	-
Recognition on account of adoption of Ind AS 116 (Refer notes below)	3,400.21	3,400.21
Additions during the year	6,247.84	6,247.84
	9,648.05	**9,648.05**
Depreciation during the year	(543.85)	(543.85)
Derecognised during the year	(87.19)	(87.19)
Balance as at 31 March, 2020	**9,017.01**	**9,017.01**

ii. Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Right-of-use assets - land and building	6,247.84	-

iii. Right-of-use assets

At cost or deemed cost

(₹ in Lakhs)

Particulars	Land and Buildings	Total
Balance as at 01 April, 2019	3,400.21	3,400.21
Additions	6,247.84	6,247.84
Dereognition	(87.19)	(87.19)
Balance as at 31 March, 2020	**9,560.86**	**9,560.86**
Accumulated amortisation		
Balance as at 01 April, 2019	**-**	**-**
Charge for the Year	(543.85)	(543.85)
Dereognition	-	-
Balance as at 31 March, 2020	**(543.85)**	**(543.85)**
Net carrying amount		
At 31 March, 2020	**9,017.01**	**9,017.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

41 Leases (Contd..)

Notes:

i. The Group has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach. On transition, the adoption of new standard resulted in recognition of Right-of-Use asset (including additions and derecognition during the year) of ₹ 9,561 lakhs and an equal amount of lease liability. The effect of this adoption is not material on profit and earnings per share for the year ended.

ii. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

iii. Transition impact of Ind AS - 116

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset equals to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statement for the year ended March 31, 2019.

The effect of this adoption is insignificant on the profit before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application or low value leases.

c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d. Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e. The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in Lakhs)

Particulars	As at 31 March, 2020
Balance at the Beginning of the year	-
Recognition on account of adoption of Ind AS 116	3,400.21
Additions	6,247.84
	9,648.05
Finance cost accrued during the year	526.36
Payment of lease liabilities	(817.76)
Derecognised during the year	(81.25)
Balance at the end	**9,275.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

41 Leases (Contd..)

f. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March, 2020
Due within one year	1,217.79
Due later than one year and not later than five years	4,637.86
Due later than five years	13,398.24
Total	**19,253.89**

g. Amounts recognised in profit or loss (see note 'a' below)

(₹ in Lakhs)

Particulars	As at 31 March, 2020
Interest on lease liabilities	526.36
Depreciation on right of use assets	543.85
Expenses relating to short-term and low value leases	307.71
	1,377.92

h. Amounts recognised in the statement of cash flows (see note 'a' below)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020
Total cash outflow for leases	817.76
	817.76

Note:

a. Since the Ind AS 116 is applicable from 1 April, 2019, hence no disclosure has been made for the previous year.

i. Impact of change in accounting policy :

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020
Decrease in Property Plant and equipment by	-
Increase in lease liability by	9,275.40
Increase in rights of use by	9,017.01
Increase/(Decrease) in Deferred tax assets by	66.22
Increase/(Decrease) in finance cost by	526.36
Increase/(Decrease) in depreciation by	543.85
Increase/(Decrease) in rent expense by	(510.05)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iv. 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.

v. Rental expense recorded for short-term and low value leases is ₹ 307.71 lakhs for the year ended March 31, 2020, the same have been recorded under the head 'Other expenses' in the financial statements.

vi. Rental income on assets given on sub-lease is ₹ Nil for the year ended 31 March, 2020. (₹ Nil for the year ended 31 March, 2019)

B. Disclosures for operating leases other than leases coverd in Ind AS 116

i. The Group has entered into cancellable operating leases and transactions for leasing of accommodation for Factory Building, Service Centre, office space, Godown, transit house etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

ii. The Group has given its properties on lease one party. Tenure of leases is 3 years. Terms of the lease include operating term for renewal, increase in rent in future period and term of cancellation have a notice period of 3 months, accordingly no lease obligation have been disclosed.

Lease expenses/income recognised during the year

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
a. As a lessee (expenses)		
Factory building, godown, office space, service centre and transit house	307.71	706.20
b. As a lessor (income)		
Factory building	9.76	26.88

42 Earnings per share

(₹ in Lakhs)

Particulars	Units	Year Ended 31 March, 2020	Year Ended 31 March, 2019
a. Basic			
Profit for the year	₹ / Lakh	12,050.01	6,335.81
Weighted average number of equity shares	No's	1,14,16,759	1,13,25,091
Face value of per share	₹	10.00	10.00
Earnings per share - Basic	₹	105.55	55.94
b. Diluted			
Profit for the year	₹ / Lakh	12,050.01	6,335.81
Weighted average number of equity shares	No's	1,17,33,423	1,14,91,758
Face value of per share	₹	10.00	10.00
Earnings per share - Diluted	₹	102.70	55.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

42 Earnings per share (Contd..)

(₹ in Lakhs)

Particulars	Units	Year Ended 31 March, 2020	Year Ended 31 March, 2019
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:			
Weighted average number of equity shares used in the calculation of basic earnings per share	No's	1,14,16,759	1,13,25,091
Shares deemed to be issued for no consideration in respect of employee options	No's	3,16,663	1,66,667
Weighted average number of equity shares used in the calculation of diluted earnings per share	No's	**1,17,33,423**	**1,14,91,758**

43 Details of research and development expenditure

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
a. Revenue expenditure		
Cost of materials consumed	8.64	130.66
Employee benefits expense	323.96	241.27
Other expenses	46.90	41.65
Depreciation and amortisation expense	26.06	18.54
	405.56	**432.12**
b. Capital expenditure		
Purchase of property, plant and equipment	61.10	258.50
	61.10	**258.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments

a. Capital Management

The Group objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Net debt		
a. Borrowings		
- non current	1,101.75	614.49
- current	7,180.33	12,994.37
b. Current maturities of long term borrowings	385.18	515.37
	8,667.26	**14,124.23**
c. Cash and cash equivalents	9,565.64	1,442.70
d. Investment	-	760.55
	9,565.64	**2,203.25**
Net Debt	**(898.38)**	**11,920.98**
Total equity	**54,133.25**	**37,821.78**
Net debt to equity ratio	**(0.02)**	**0.32**

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 2020 and 31 March 2019.

b. Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Financial asset		
a. Measured at fair value through Profit and Loss (FVTPL)		
a. Investments	-	760.55
b. Outstanding forward Marked to Market (MTM)	1,616.16	-
b. Measured at amortised cost		
a. Other financial assets		
- Non current	912.00	539.99
- Current		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
i. Trade receivables		
- Non current	-	14,822.75
- Current	51,511.93	51,674.37
ii. Cash and cash equivalents	9,565.64	1,442.70
iii. Bank balances other than note 12 above	450.31	2,229.44
iv. Other financial assets	1,509.39	2,017.96
Financial liabilities		
a. Measured at fair value through Profit and Loss (FVTPL)		
a. Outstanding forward Marked to Market (MTM)	4.31	384.54
b. Measured at amortised cost		
a. Borrowings		
- Non current	1,101.75	614.49
- Current	7,180.33	12,994.37
b. Trade payables		
- Non current	-	15,788.80
- Current	93,905.95	73,968.47
c. Other non current financial liabilities	8,836.08	-
d. Other current financial liabilities	1,213.49	1,809.48

Notes:

a. There are no significant difference among the fair value of financial assets and liabilities classified as measured at cost or measured at fair value through profit and loss accordingly no separate disclosure of the same have been disclosed.

b. The derivative instruments with respect to forward contract are accounted for as fair value hedge.

c. The Group has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

c. Fair value hierarchy

The disclosure of the financial instruments measured at fair value. The details of instrument and valuation technique are as follows:

(₹ in Lakhs)

Particulars	Fair value hierarchy	As at 31 March, 2020	As at 31 March, 2019
Financial assets			
Investments	Level 2	-	760.55
Foreign currency forward contracts	Level 2	1,616.16	-
Financial liabilities			
Foreign currency future contracts	Level 1	4.31	-
Foreign currency forward contracts	Level 2	-	384.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments (Contd..)

Valuation technique and key input

Discounted cash flow. Future cash flow estimated based on forward exchange rates (from observable forward exchange rates at the end of reporting period) and contract forward rates.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

Valuation processes

a. The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the audit committee (AC).

b. Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the Group's quarterly reporting periods.

d. Summary statement of financial risk management

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market, credit and liquidity risk.

The Group senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to the Group senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with the Group policies and the Group risk objective.

A. Credit Risk Management

Credit risk is managed on group basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the Group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments (Contd..)

The Group's exposure to customers is diversified and two customer contributes to more than 10% of outstanding trade receivable ₹ 39803.30 Lakh (Previous year ₹ 28970.55 Lakhs) as at 31 March, 2020.

Reconciliation of loss allowance provision

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	366.12	399.74
Additional provision made	114.91	199.83
Provision adjusted against the amount written off	333.70	233.45
Closing provision	**147.33**	**366.12**

The provision for loss allowances of trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

B. Liquidity Risk

1 The Group determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

2 The Group manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Maturities of financial liabilities

(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2020				
Non Derivative				
Long Term Borrowings	-	1,101.75	1,101.75	1,101.75
Current maturities of long term borrowings	385.18	-	385.18	385.18
Short term borrowings	7,180.33	-	7,180.33	7,180.33
Trade Payables				
- Non current	-	-	-	-
- Current	93,905.95	-	93,905.95	93,905.95
Other Financial Liabilities	832.62	8,836.08	9,668.70	9,668.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments (Contd..)

Maturities of financial liabilities (Contd..)

(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2019				
Non Derivative				
Long Term Borrowings	-	614.49	614.49	614.49
Current maturities of long term borrowings	515.37	-	515.37	515.37
Short term borrowings	12,994.37	-	12,994.37	12,994.37
Trade Payables	-	-	-	
- Non current	-	15,788.80	15,788.80	15,788.80
- Current	73,968.47	-	73,968.47	73,968.47
Other Financial Liabilities	1,678.65	-	1,678.65	1,678.65

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.

(₹ in Lakhs)

Particulars	<12 months	>12 months	Total	Carrying value
As on 31.03.2020				
Non derivative				
Trade receivables				
- Non current	-	-	-	-
- Current	51,511.93	-	51,511.93	51,511.93
Other financial assets				
- Non current	-	912.00	912.00	912.00
- Current	1,509.39		1,509.39	1,509.39
Investments	-	-	-	-
Cash and cash equivalents	9,565.64	-	9,565.64	9,565.64
Bank balances other than above	450.31	-	-	450.31
As on 31.03.2019				
Non derivative				
Trade receivables		-		
- Non current	-	14,822.75	14,822.75	14,822.75
- Current	51,674.37	-	51,674.37	51,674.37
Other financial assets				
- Non current	-	539.99	539.99	539.99
- Current	2,017.96	-	2,017.96	2,017.96
Investments	760.55	-	760.55	760.55
Cash and cash equivalents	1,442.70	-	1,442.70	1,442.70
Bank balances other than above	2,229.44	-	-	2,229.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments (Contd..)

C. Market Risk Management

I. Foreign Currency Risk

a. The operation of the Group give exposure to foreign exchange risk arising from foreign currency transactions and foreign currency loans, primarily with respect to the US$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Group hedge the foreign currency exposure. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

b. The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The Group measures the forward contract at fair value through profit and loss.

c. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

The foreign currency exposures for the year ended are as follows:

		As at 31 March, 2020			As at 31 March, 2019		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Borrowings	In USD / Lakh	3.53	3.53	-	8.24	8.24	-
	In ₹/ Lakh	266.07	266.07	-	569.65	569.65	-
Buyers' Credit	In USD / Lakh	62.08	-	62.08	-	-	-
	In ₹ / Lakh	4,680.33	-	4,680.33	-	-	-
Creditors	In USD / Lakh	829.25	593.41	235.84	562.04	298.58	263.46
	In CNY / Lakh	75.52	-	75.52	-	-	-
	In JPY / Lakh	-	-	-	927.50		927.50
	In ₹ / Lakh	61,389.90	44,718.37	16,671.53	39,700.17	20,800.63	18,899.54
Total liability	In USD / Lakh	894.86	596.94	297.92	570.28	306.82	263.46
	In CNY / Lakh	75.52	-	75.52	-	-	-
	In JPY / Lakh	-	-	-	927.50	-	927.50
	In ₹/ Lakh	66,336.30	44,984.44	21,351.86	40,269.82	21,370.28	18,899.54
Debtors	In USD / Lakh	4.57	-	4.57	1.62	-	1.62
	In ₹ / Lakh	346.11	-	346.11	112.26	-	112.26
Total assets	In USD / Lakh	4.57	-	4.57	1.62	-	1.62
	In ₹ / Lakh	346.11	-	346.11	112.26	-	112.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

44 Financial instruments (Contd..)

A. Foreign currency risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Financial assets	346.11	112.26
Financial liabilities	21,351.86	18,899.54
Net exposure (liabilities)	**21,005.75**	**18,787.28**

Note:

The above amount represents the gross exposure i.e. both hedged and unhedged.

B. Sensitivity

The details of the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

(₹ in Lakhs)

Particulars	Currency USD impact	
	As at 31 March, 2020	As at 31 March, 2019
Impact on profit or loss for the year	210.06	187.87
Impact on total equity as at the end of reporting year	156.23	122.23

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables in the Group at the end of the reporting period. Impact on profit for the year are gross of tax.

II. Cash flow and Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at variable rate were mainly denominated in INR and USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a. Interest rate risk exposure

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Variable rate borrowings	7,180.33	12,994.37
Fixed rate borrowings	1,486.93	1,129.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

b. Sensitivity Analysis

The details of the Group's sensitivity to a 1% increase and decrease in interest rate are as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Impact on profit or loss for the year	86.67	141.24
Impact on total equity as at the end of reporting year	64.46	91.89

Impact on profit for the year are gross of tax.

III. Price Risk

The Group do not have any investment in quoted securities or other equity instruments . Thus, the Group is not exposed to any price risk.

45 Employee Stock Option Plan

Employee Stock Option Plan - 2018: The Holding Company had a Dixon Technologies (India) Limited — Employee Stock Option Plan, 2018 ('Dixon ESOP 2018') which provided for the grant of equity shares of the Holding Company to the eligible employees of the Holding Company and its subsidiary company. The board of directors recommended the establishment of the Dixon ESOP 2018 to the shareholders on 26th May, 2018 and shareholders approved the recommendations of the board of director in Annual General Meeting held on 25th July, 2018. The maximum aggregate number of shares that may be awarded under Dixon ESOP 2018 was 500,000 equity shares. The company has approved 1 grants vide its meeting held on 31st October, 2018. 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. The Plans are Equity Settled Plans.

Particulars	Grant I	Grant II
Date of Grant	01-Nov-18	13-Nov-19
Date of Share holders Approval	25-Jul-18	25-Jul-18
Date of Board of Directors Approval / Committee	26-May-18	26-May-18
No. of Option	497600	4900
Method of settlement (Cash/Equity)	Equity	Equity
Vesting Period	31-Oct-19	
	31-Oct-20	13-Nov-20
	31-Oct-21	13-Nov-21
Exercise Price (Per Share ₹)	1864.80	2092.58
Exercise Period	Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 4 years.	Options vested may be exercised by the Option Grantee within a maximum period of One Year from the date of last vesting of Options. Hence maximum term of Options granted is 3 years.
Ext. of Exercise Period	None	None
Fair Value of Share at the time of Grant (Per Share ₹)	768.65/-	1280.60/-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

45 Employee Stock Option Plan (Contd..)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Share arising out of options	Weighted average exercise price	Share arising out of options	Weighted average exercise price
Outstanding at the beginning	4,97,600	₹ 1,864.80	-	-
Granted	4,900	₹ 2,092.58	4,97,600	₹ 1,864.80
Forfeited and expired	2,500	₹ 1,864.80	-	-
Exercised	2,45,050	₹ 1,864.80	-	-
Outstanding at the end				
	2,47,550	₹ 1,864.80	4,97,600	₹ 1,864.80
	4,900	₹ 2,092.58		
Exercisable at the end	2,500	₹ 1,864.80	-	-

* Fair value of option is based on the valuation report of option.

46 Employee benefits

a. Defined Contribution Plan

Provident Fund and other funds : A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 and other acts to the government. The Group's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The Group's obligation is limited to the amounts contributed by it.

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Contribution to provident and other funds		
a. Contribution to provident fund	432.96	320.77
b. Contribution to employee state insurance	36.68	39.40
c. Contribution to national pension scheme	29.62	23.63
d. Others	0.04	-
	499.30	**383.80**

b. Defined benefits plan

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. The Group's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

46 Employee benefits (Contd..)

b. Defined benefits plan (Contd..)

Assumptions

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. The assumptions for Dixon Technologies (India) Limited and AIL Dixon Technologies Limited are as follows:		
Future Salary Increase	6.00%	6.00%
Discount rate	6.80%	7.66%
Mortality rates	100% of IALM (2012-14)	100% of IALM (2006-08)
Attributes of ages: withdrawal rate (%)		
upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	58	58
b. The assumptions for Padget Electronics Private Limited as follows:		
Future Salary Increase	5.50%	5.50%
Discount rate	6.80%	7.66%
Mortality rates	100% of IALM (2006-08)	100% of IALM (2006-08)
Attributes of ages: withdrawal rate (%)		
upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	58	58

Amount recognised in Statement of Profit and Loss in respect of defined benefit plans are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Service Cost		
- Current service cost	119.92	76.08
- Past service cost including curtailment gains/losses	-	-
	119.92	**76.08**
Net interest cost	39.61	33.79
Expense recognised in statement of profit and loss	**159.53**	**109.87**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

46 Employee benefits (Contd..)

Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.03)	-
Actuarial (gains) / losses arising from changes in financial assumptions	56.40	2.42
Actuarial (gains) / losses arising from experience adjustments	4.59	7.88
Components of defined benefit costs recognised in other comprehensive income	**60.96**	**10.30**
	220.49	**120.17**

Notes:

i. The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.

ii. The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

iii. The Group gratuity scheme is unfunded.

The amount included in the consolidated financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for gratuity		
- Non-Current	650.04	463.14
- Current	66.90	45.68
	716.94	**508.82**

Movements in the present value of the defined benefit obligation are as follows

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Liability at the beginning of the year	**508.82**	**438.24**
Interest Costs	39.61	33.79
Current Service Costs	119.92	76.08
Past Service Cost including curtailment Gains/ Losses	-	-
Benefits paid	(20.50)	(49.59)
Actuarial (Gain)/Loss on obligations due to change in Obligation	60.96	10.30
Add: addition in liability on acquisition of shares of joint venture (see note 50)	8.13	-
Liability at the end of the year	**716.94**	**508.82**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

46 Employee benefits (Contd..)

Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a. Impact of the change in discount rate		
Present Value of Obligation at the end of the period	716.94	508.82
Impact due to increase of 0.50 %	(35.55)	(23.21)
Impact due to decrease of 0.50 %	38.76	25.12
b. Impact of the change in salary increase		
Present Value of Obligation at the end of the period	716.94	508.82
Impact due to increase of 0.50 %	37.27	24.19
Impact due to decrease of 0.50 %	(34.43)	(22.48)

Notes:

i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.

ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

iii. The above sensitivity analysis are with out giving the impact of tax.

Maturity Profile of Defined Benefit Obligation

Financial year	Amount ₹ / Lakh
Apr 2019- Mar 2020	66.90
Apr 2020- Mar 2021	38.09
Apr 2021- Mar 2022	36.04
Apr 2022- Mar 2023	48.04
Apr 2023- Mar 2024	19.37
Apr 2024- Mar 2025	16.08
Apr 2025 onwards	497.94

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Group is exposed to various risks as follow:

a. Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b. Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

47 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the Holding Company, subsidiary company and jointly controlled entities, meeting the applicability threshold, needs to spend at least 2% of average net profit individually for the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The area for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
A. Gross amount required to be spent by the group	177.75	119.08
B. Amount spent by the group by		
a. Yet to be paid in cash	-	-
b. In cash - Donation to		
a. The Akshaya Patra Foundation	37.00	24.00
b. CII Foundation	-	-
c. Jan Maadhyam	16.00	12.50
d. Nav Abhiyan	21.00	12.50
e. Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project	-	1.00
f. Chief Minister's Distress Relief Fund AP	-	5.00
g. Chief Minister's Distress Relief Fund Kerala	-	5.00
h. Saint Hardyal Education and Orphan Welfare society for the Project related to orphans.	32.00	17.38
i. Rugmark Foundation for the project related School	-	7.50
j. Sanitation Drive on Service Lane	-	2.92
k. Manju Memorial Charitable Trust	-	17.63
l. Bharat Vikas Viklang Nyas	-	1.57
m. Delhi Langar Seva Society	23.61	9.00
n. Guru Vishram Vridh Ashram	-	-
	129.61	**116.00**
q. Sanitation Drive on Service Lane relating to FY 2018-19 Budget	3.07	-
	132.68	**116.00**

48 Segment Reporting

The chief operating decision maker (CODM) comprises the Board of Directors & Chief financial officer and Chief operating officer examines the Group's performance on the basis of single operating segment Electronics Goods accordingly segment disclosure has not been made.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Revenue from two customers (Previous year two customers) of the Group represented approximately ₹ 218,381.95 Lakhs (Previous year ₹127,802.03 Lakhs) individually more than 10% of the Group's total revenue.

49 The Holding Company had made an Initial Public Offer ('IPO') during the Quarter ended 30 September, 2017, for 33,93,425 equity shares of ₹ 10 each, comprising of 3,39,750 fresh issue of equity shares by the Holding Company and 30,53,675 equity shares offered for sale by share holders. The equity shares were issued at a price of ₹ 1,766 per share (including premium of ₹ 1,756 per share). Out of the total proceeds from the IPO of ₹ 59,928 Lakhs, the Company's share was ₹ 5,999.99 Lakhs from the fresh issue of 339,750 equity shares. Fresh equity shares were allotted by the Holding Company on 14 September, 2017 and the shares of the Holding Company were listed on the stock exchanges on 18 September, 2017.

Details of utilization of IPO Proceeds are as follows :

(₹ in Lakhs)

Particulars	Object of the Issue as per Prospectus	Total Utilization Up to March 2020	Amount Pending for Utilization
Repayment/pre-payment, in full or in part, of certain borrowings availed by the Holding Company	2,200.00	2,200.00	-
Setting up a unit for manufacturing of LED TVs at the Tirupati (A.P)	758.00	758.00	-
Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility	886.00	796.00	90.00
Upgradation of the information technology infrastructure of the Holding Company	1,063.00	941.37	121.63
General corporate purposes (see note 'b' below)	805.00	805.00	-
	5,712.00	**5,500.37**	**211.63**
IPO Expenses*	288.00	288.00	-
Total	**6,000.00**		

a. The Holding Company has deposited ₹ 212.00 lakh in schedule banks as Fixed deposit

b. Estimated IPO expenses reduced by ₹ 54.00 Lakh and accordingly expense transferred to General Corporate Expenses.

50 Composition of group

The information about the composition of group at the end of reporting period is as follows:

Name of entity	Principal activity	Place of incorporation	Principal place of business	Proportion of ownership interest/ voting rights held by the group: As at 31 March 2020	As at 31 March 2019
A. Subsidiary company					
Dixon Global Private Limited	Trading	Noida, India	Noida, India	100%	100%
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	100%	-
Dixon Electro Appliances Private Limited	Manufacturing	Noida, India	Noida, India	100%	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

50 Composition of group (Contd..)

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 2020	As at 31 March 2019
B. Jointly control companies					
Padget Electronics Private Limited	Manufacturing	Noida, India	Noida, India	-	50%
AIL Dixon Technologies Private Limited	Manufacturing	Noida, India	Andhra Pradesh, India	50%	50%

Operation details of jointly control companies

a. Padget Electronics Private Limited

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Income	-	35,577.74
Expenses	-	34,848.44

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Assets	-	28,137.89
Liabilities	-	26,254.54
Contingent liabilities	-	2,025.00
Commitments (net of advance)	-	-

b. AIL Dixon Technologies Private Limited

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Total income	21,641.53	11,251.15
Total expenses	21,195.65	11,176.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

50 Composition of group (Contd..)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Assets	16,799.19	9,710.15
Liabilities	15,488.33	8,713.20
Contingent liabilities	-	50.00
Commitments (net of advance)	0.10	-

Note:

i. The operation disclosed to the extent the share of the Group.

ii. During the year, Dixon Electro Appliances Private Limited has been incorporated, as wholly owned subsidiary of the Group.

iii. During the year, the Group has invested ₹ 2,700 Lakhs to acquire remaining 50% shareholding (No. of shares 75,00,000) in its Joint Venture Company, Padget Electronics Private Limited . Consequent to this, Padget Electronic Private Limited has become wholly owned subsidiary of the Group. The Group has reognised Goodwill amounting to ₹ 816.65 lakhs on acquisition of Padget Electronic Private Limited.

51 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/Joint Venture

(₹ in Lakhs)

Name of the Entity in the group	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss		Share in OCI		Total Comprehensive income
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	Amount
A. Holding Company							
Dixon Technologies (India) Limited	94.98%	51,416.47	91.80%	11,060.46	109.37%	(49.59)	11,010.87
B. Subsidiary Companies							
Dixon Global Private Limited	1.77%	955.96	1.68%	202.99	0.00%	-	202.99
Padget Electronics Private Limited	7.64%	4,137.02	7.55%	909.24	-7.87%	3.57	912.81
Dixon Electro Appliances Private Limited	0.00%	0.88	0.00%	(0.12)	0.00%	-	(0.12)
C. Joint Venture							
AIL Dixon Technologies Private Limited	2.42%	1,310.87	2.60%	313.24	-1.50%	0.68	313.92
Consolidation Adjustments	-6.81%	(3,687.95)	-3.62%	(435.80)	0.00%	-	(435.80)
	100.00%	**54,133.25**	**100.01%**	**12,050.01**	**100.00%**	**(45.34)**	**12,004.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

52 Related parties

a. List of related parties

i. Key Managerial Personnel and their relatives

a.	Mr. Sunil Vachani	Chairman
b.	Mr. Atul B. Lall	Managing Director
c.	Mr. Gopal Jagwan	Chief financial officer (Upto 4th May 2018)
d.	Mr. Saurabh Gupta	Chief financial officer (From 4th May 2018)
e.	Mr. Ramesh Chandra Chopra	Non Executive Independent Director (Upto 6th August 2018)
f.	Mr. Manuji Zarabi	Non Executive Independent Director
g.	Ms. Poornima Shenoy	Non Executive Independent Director
h.	Mr. Manoj Maheshwari	Non Executive Independent Director
i.	Mr. Keng Tsung Kuo	Non Executive Independent Director (From 12 April, 2019)
j.	Mr. Prithvi Vachani	Son of Chairman (from 2 April, 2018)

ii Entities over which individuals mentioned in (i) point above are able to exercise control/significant influence

a. Dixon Applied Technology Training Institute

b. Transactions during the year

(₹ in Lakhs)

Particulars	KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Transactions during the year						
Loan given	**32.00**	**-**	**-**	**-**	**32.00**	**-**
Mr. Atul B. Lall	8.00	-	-	-	8.00	-
Mr. Saurabh Gupta	24.00	-	-	-	24.00	-
Loan repaid by related party	**4.00**	**-**	**-**	**-**	**4.00**	**-**
Mr. Atul B. Lall	4.00	-	-	-	4.00	-
Director sitting fees	**8.65**	**8.20**	**-**	**-**	**8.65**	**8.20**
Mr. Ramesh Chandra Chopra	-	0.30	-	-	-	0.30
Mr. Manuji Zarabi	3.90	3.60	-	-	3.90	3.60
Ms. Poornima Shenoy	1.45	2.10	-	-	1.45	2.10
Mr. Manoj Maheshwari	2.30	2.20	-	-	2.30	2.20
Mr. Keng Tsung Kuo	1.00	-	-	-	1.00	-
Remuneration (including commission)*	**1,121.79**	**728.12**	**-**	**-**	**1,121.79**	**728.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

52 Related parties (Contd..)

b. Transactions during the year (Contd..)

(₹ in Lakhs)

Particulars	KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Mr. Sunil Vachani	524.00	351.22	-	-	524.00	351.22
Mr. Atul B. Lall	474.29	282.37	-	-	474.29	282.37
Mr. Gopal Jagwan	-	10.68	-	-	-	10.68
Mr. Saurabh Gupta	98.60	54.88	-	-	98.60	54.88
Mr. Ramesh Chandra Chopra	-	5.00	-	-	-	5.00
Mr. Manuji Zarabi	5.00	5.00	-	-	5.00	5.00
Ms. Poornima Shenoy	5.00	5.00	-	-	5.00	5.00
Mr. Manoj Maheshwari	5.00	5.00	-	-	5.00	5.00
Mr. Prithvi Vachani	9.90	8.98	-	-	9.90	8.98

Note: * The amount does not include the shares issued to key managerial personnel under ESOP scheme with share capital amounting to ₹ . 3.25 lakhs and security premium amounting to ₹ 602.81 lakhs.

c. Balances outstanding at the end of year

(₹ in Lakhs)

Particulars	KMP and their relatives		Entities over which individuals mentioned in (iii) point above are able to exercise control/ significant influence		Total	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Trade Payable	**-**	**-**	**-**	**1.85**	**-**	**1.85**
Dixon Applied Technology Training Institute	-	-	-	1.85	-	1.85
Amount payable*	**-**	**0.85**	**-**	**-**	**-**	**0.85**
Mr. Atul B. Lall	-	0.82	-	-	-	0.82
Mr. Saurabh Gupta	-	0.03	-	-	-	0.03
Amount receivable*	**57.87**	**0.40**	**-**	**-**	**57.87**	**0.40**
Mr. Sunil Vachani	6.29	-	-	-	6.29	-
Mr. Atul B. Lall	4.10	-	-	-	4.10	-
Mr. Saurabh Gupta	47.23	-	-	-	47.23	-
Mr. Prithvi Vachani	0.25	0.40	-	-	0.25	0.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

53 Incentives from Andhra Pradesh Government

The Government of Andhra Pradesh vide Order No. GO(MS) No. 170 dated December 16, 2016 and GO(MS) No. 37 dated March 03, 2017 has announced certain fiscal incentives to the Holding company and the joint venture company for setting up industries in the notified Electronics Manufacturing Clusters (EMCs) of the State.

Further, the activities of the Holding Company and the joint venture company fall under the scheme of Information Technology, Electronics & Communication (Promotions) department 2014-2020, based on the scheme and order passed, the Holding Company and the joint venture company is eligible for 100% re-imbursement of the Stamp Duty, Transfer Duty and Registration Fee paid on sale/ lease deeds on the first transaction and 50% thereof on the second transaction, freight subsidy, transport subsidy interest subsidy etc.

Movement in the incentive recoverable from Andhra Pradesh government is given below:

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance	203.52	69.46
Add: Incentive recognise during the year	87.57	134.06
Less: Amount received during the year	-	-
Closing Balance	**291.09**	**203.52**

During the current year, the Holding Company and the joint venture company have not realised incentive from Government, considering the uncertainty over realisation of the incentive income during the current year, the Holding Company and the joint venture company have not recognised ₹ 292.39 lakhs incentive income on accrual basis.

54 The Padget Electronics Private Limited ('Padget'), a joint control Company has been engaged by Rstar Limited ("Rstar"), Goldex (HK) Technology Limited ("Goldex"), and Syntech (HK) Technology Limited ("Syntech") (Rstar, Goldex and Syntech collectively referred to as "Suppliers" and individually as "Supplier") to manufacture mobile phones under the brand Gionee pursuant to manufacturing agreement dated 30th March, 2016 entered into by Padget with Rstar ("Manufacturing Agreement"). Pursuant to the Manufacturing Arrangement, the Padget has been importing Parts & Components directly from the Suppliers for the purpose of manufacturing the Products and the Padget was selling the manufactured Products to the distributors ("Distributors") appointed by the suppliers in India.

As per the commercial arrangement between Padget and the Suppliers, the liability and obligation to ensure that Padget receive payment from the Distributors was on the Suppliers. The Distributors has not made the payment to Padget as the Suppliers have not been able to provide requisite service support/sales support/market support to the Distributors. The Distributors claimed to have bear the cost of same and insisted that the amount so incurred by the Distributors must be adjusted against the amount payable to Padget against purchase of Products. Since Padget has not received payment from the Distributors, it has not been able to make payment to the Suppliers towards import of the materials during the financial year 2016-17, 2017-18 and 2018-19.

a. Tri-party agreements have been entered among Padget Electronics Private Limited (the subsidiary company) , supplier and distributors for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 33,331.92 Lakhs. In this regard, the subsidiary company had filed application dated 3rd Jan'19 with The Reserve Bank of India ("RBI") on 17th Jan'19 for approval and approval was received dated 22nd Oct'2019. Based on the approval, the the subsidiary company has set off Trade Receivables amounting to ₹ 30,731.91 Lakhs and Trade payable amounting to ₹ 30,731.91 Lakhs in the books of account. Balance ₹ 2,600.01 Lakhs was adjusted by further transactions entered into after the filing of the application with RBI.

b. b) Apart from above, the subsidiary company has filed one more application with RBI dated 16th March'2020 for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹ 13,561.16 Lakhs. Based on the RBI application, the subsidiary company has set off the import payable amounting to ₹ 13,435.10 Lakhs and trade receivables from distributors ₹ 13,354.16 Lakhs & obsolete inventory of Import Vendors ₹ 80.94 Lakhs. The approval from RBI is still in process.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

55 In Second quarter, The Group except the joint venture has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for Income Tax for the year ended 31 March, 2020 and re-measured its net deferred tax liabilities (DTL) basis the rates prescribed in the said section. The impact of this change has been recognised over the period from 1 July 2019 to 31 March, 2020.

56 The outbreak of Coronavirus (COVID-19) pandemic is causing significant disturbance and slowdown of economic activity. COVID-19 has impacting business operation of the Group, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. Manufacturing facilities of the Group at Noida, Dehradun, and Tirupati were closed following countrywide lockdown due to COVID-19. The Group has since obtained required permissions and restarted its manufacturing facilities partially at Noida, Dehradun and Tirupati .The Group has assessed the economic impact of Covid-19 on its business by evaluating various scenarios on certain assumptions and current indicators of future economic conditions and on the basis of ongoing discussions with customers, vendors and service providers, the Group is confident of serving customers orders, obtaining regular supplies of raw material and logistics services. Based on this, the Group has assessed recoverability of its assets such as trade receivables, inventory etc. and believes that it will recover the carrying cost of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

57 The Board of Director has not recommend any final dividend. The interim dividend declared ₹ 4 Per share and paid during the quarter ended March 2020.

58 There are no subsequent event observed after the reporting period which have material impact on the Group's operation.

59 Figures for the previous year have been regrouped / rearranged wherever necessary.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

AOC-1

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)

S.No	Name of Subsidiary	Date since which subsidiary was acquired	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	OCI***	Total CI	Proposed Dividend	% of Shareholding
1	Dixon Global Private Limited	27-Oct-10	INR	100.00	855.96	13,858.45	12,902.49	-	49,382.84	274.47	71.48	202.99	-	202.99	-	100%
2	Padget Electronics Private Limited*	12-Apr-19	INR	1,500.00	2,637.02	15,496.22	11,359.20	-	51,684.77	1,151.86	242.62	909.24	3.58	912.82	Nil	100%
3	Dixon Electro Appliances Private Limited**	15-Jan-20	INR	1.00	(0.10)	1.00	0.10	-	-	(0.10)	-	(0.10)	-	(0.10)	-	100%

*During the year, the company has invested ₹ 2,700 Lakhs to acquire remaining 50% shareholding (No. of shares 75,00,000) in its Joint Venture Company, Padget Electronics Private Limited . Consequent to this, Padget Electronic Private Limited has become wholly owned subsidiary of the Company.

**During the year, Dixon Electro Appliances Private Limited has been incorporated, as wholly owned subsidiary of the Company.

***Other Comprehensive Income

Notes:

1. *Names of subsidiaries which are yet to commence operations: Dixon Electro Appliances Private Limited*
2. *Names of subsidiaries liquidated or sold during the year: Nil*

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 or 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-20	95,00,000	950.00	50.00%	Note A	-	1,310.87	313.92	-

Notes:

1. *There is significant influence due to percentage holding of share capital.*
2. *Names of associates or joint ventures which are yet to commence operations: Nil*
3. *Names of associates or joint ventures which have been liquidated or sold during the year: Nil*

The Notes are an integral part of the Financial Statements

In terms of our report attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 11 June, 2020

For and on behalf of the Board of Directors

Sunil Vachani
Chairman

Atul B.Lall
Managing Director

Saurabh Gupta
Chief Financial officer

Ashish Kumar
Company Secretary

Place: Noida
Date: 11 June, 2020

NOTE

NOTE

NOTE

Dixon®

The brand behind brands

Registered Office:
B-14 & 15, Phase II, Noida-201305
Ph.: (0120) 4737200
Website: www.dixoninfo.com
E-mail -ID: investorrelations@dixoninfo.com

Dixon®

An ISO 9001:2015 & 14001:2015 Company

Date: 22nd August, 2020

Dear Member,

We are pleased to invite you to attend the 27th Annual General Meeting of the Members of Dixon Technologies (India) Limited to be held on 29th September, 2020, Tuesday at 03:00 p.m. through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility.

The Notice of the 27th Annual General Meeting along with the instructions for casting of vote by electronic means and the instructions for attending the Annual General Meeting by VC /OAVM facility has been provided herein.

Please find below key details / information regarding 27th Annual General Meeting for your ready reference and ease of participation.

Sl. No	Particulars	Details
1	Link for live webcast of the Annual General Meeting and for participation through VC/OAVM	https://emeetings.kfintech.com/
2	Link for remote e-voting	https://evoting.karvy.com/
3	Helpline number for VC/OAVM participation and e-voting	Contact KFin Technologies Private Limited at 1-800-3454-001 or write to them at einward.ris@kfintech.com
4	Cut-off date for e-voting	22nd September, 2020
5	Time period for remote e-voting	26th September, 2020 (09.00 am) to 28th September, 2020 (05.00 pm)
6	Registrar and Share Transfer Agent contact details	Mr. B Srinivas, Manager [Unit: Dixon Technologies (India) Limited] KFin Technologies Private Limited E-mail: einward.ris@kfintech.com; evoting@kfintech.com Contact No.: 040 - 6716 2222

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

Very truly yours,

Sd/-

Ashish Kumar

Group CS, Head-Legal & HR

An ISO 9001:2015 & 14001:2015 Company
Dixon Technologies (India) Limited.
CIN: L32101UP1993PLC066581
Regd. Office: B-14 & 15, Phase-II, Noida-201305, (U.P.) India, Ph.:0120-4737200
E-mail: investorrelations@dixoninfo.com, Website: http://www.dixoninfo.com, Fax No. 0120-4737273

Notice of Annual General Meeting

NOTICE is hereby given that TWENTY SEVENTH ANNUAL GENERAL MEETING (**the** "**AGM**") of the members of Dixon Technologies (India) Limited ("**the Company**") will be held on Tuesday, 29th September, 2020 at 03:00 p.m. through Video Conferencing/Other Audio Visual Means ("**VC/OAVM**") facility without the physical presence of the Members at a common venue, in compliance with General Circulars issued by Ministry of Corporate Affairs and SEBI to transact the following businesses mentioned below:

A. Ordinary Business

Item No. 1. Adoption of Financial Statements & Reports

To consider and adopt (a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Auditors and Board of Directors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon and in this regard, pass the following resolutions, with or without modification(s), as Ordinary Resolutions:

(a) "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Auditors and Board of Directors thereon laid before this meeting, be and are hereby considered and adopted."

(b) "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

Item No. 2. Appointment of Mr. Atul B. Lall as a director liable to retire by rotation

Rational: Mr. Atul B. Lall, being longest in the office amongst the Directors, liable to retire by rotation, is liable to retire at the ensuing Annual General Meeting. Given his expertise, vast experience in the Electronic Manufacturing Industry and his contribution to the success of the Company, it is proposed to re-appoint him as a Director. Also, refer the explanation given under item no: 2 on page no: 12.

Mr. Atul B. Lall, who was appointed on 30th June, 2000 whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation, the Board recommends his re-appointment. After being re-appointed he shall continue his term as Managing Director of the Company.

Therefore, members are requested to consider and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Article 58 of the Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Atul B. Lall (DIN: 00781436) as a Director of the Company, who shall continue as Managing Director of the Company, to the extent that he is required to retire by rotation."

B. Special Business

Item No. 3. Ratification of Remuneration to be paid to M/S. A. N. Satija & Co., Cost Accountants, Cost Auditors of the Company

Rational: Refer the explanation given under Item no. 3 on page no. 12

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 Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 3.75 Lakhs per annum plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, as approved by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2021, be and is hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised 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, doubt that may arise thereof and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

Item No. 4. Variation in the terms of the Object of the public issue as stated in the prospectus of the Company dated 11th September, 2017

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

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

"RESOLVED THAT pursuant to the provisions of Sections 13 and 27 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 including any statutory modifications or reenactments thereof and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any to the extent applicable and such other approvals, permissions and sanctions, as may be necessary, the approval of members of the Company be and is hereby accorded to vary the terms referred to in the prospectus dated 11th September, 2017 (the 'Prospectus') in relation to the terms of utilization of the proceeds received from the initial public offering of equity shares made in pursuance of the Prospectus to the extent of appropriating the unutilized amount, aggregating to ₹ 211.63 Lakhs, constituting 3.53% of Total Proceeds, towards general corporate purpose in the manner and as per the details set forth in the Statement annexed to this Notice.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the 'Board', which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly constituted committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein referred to any committee of directors or any other officer/ authorised representative of the company to give effect to the aforesaid resolution."

Item No. 5 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 ₹ 200 Crores

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

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

"RESOLVED THAT pursuant to Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("Companies Act") and in accordance with the provisions of the memorandum of association and articles of association of Dixon Technologies (India) Limited (the "Company"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of face value of ₹ 10 of the Company are listed ("Stock Exchanges", and such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India ("GoI"), Ministry of Corporate Affairs ("MCA"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and / or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GoI, or any other concerned statutory / regulatory authority, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the board of directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including Equity Shares, fully / partly convertible debentures, non-convertible debentures, foreign currency convertible bonds, warrants (collectively, the "Securities"), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the SEBI ICDR Regulations ("QIBs") / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, with or without a green shoe option, to raise funds for an aggregate consideration of up to ₹ 2,00,00,00,000 only (Rupees Two hundred crores only) (the "Issue"), through a public issue, preferential allotment or a private placement (including one or more qualified institutions placements ("QIP") in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be subscribed to in Indian and / or any foreign currency by all eligible investors, through the issuance of an offer document / letter / circular / placement document, as permitted under applicable laws and regulations, at such price (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities shall be made to the exclusion of others (including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company); making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different Securities; number of securities to be issued; face value; number of Equity Shares to be issued and allotted on conversion / redemption / extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date; and / or book closure dates subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 6 Approval of Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020 ("DIXON ESOP 2020")

Rational: Refer the explanation given under item no. 6 on page no. 16

To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies, Act, 2013 (the "Act") read with rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required or condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee as may be constituted by the Board for the purpose), the consent of the members of the Company be and is hereby accorded for approval of Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020 and to the Board to grant, vest and allot, from time to time and in one or more tranches, under DIXON ESOP 2020, a maximum of 300,000 options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) exercisable into 300,000 equity shares of face value ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) for the benefit of present and future permanent employees whether working in India or outside India and director(s), whether whole time director or not but excluding independent directors, whether working in India or outside India of the Company but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares and / or equity linked instruments which would give rise to issue of equity shares (hereinafter collectively referred to as "Securities").

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under DIXON ESOP 2020 shall rank pari-passu inter-se in all respects with the then existing Equity Shares of the Company for all purposes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect DIXON ESOP 2020 as per the terms approved in this resolution and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate DIXON ESOP 2020, subject to compliance with the SEBI ESOP Regulations and other applicable laws, rules and regulations, as may be prevailing at that time;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under DIXON ESOP 2020 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.

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

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

Item No. 7 Grant of stock options to the employees of Indian Subsidiary Companies under Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020 ("DIXON ESOP 2020")

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

To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies, Act, 2013 (the "Act") read with rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required or condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee as may be constituted by the Board for the purpose), the consent of the members be and is hereby accorded to extend the benefits of DIXON ESOP 2020 including the issuance of Options and shares thereunder to and for the benefit of present and future permanent employees of the present and future Subsidiaries of the Company and its director(s), whether whole time director or not but excluding independent directors, whether working in India or outside India (hereinafter referred to as "Eligible Employee") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares and / or equity linked instruments which would give rise to issue of equity shares to the intent that the number of Securities offered under DIXON ESOP 2020 to the Eligible Employees of the subsidiary companies shall be subsumed in the aggregate limit of 300,000 equity shares of the face value of ₹ 10/- (Rupees Ten only) each set out in the Special Resolution under Item No. 6 of this notice (hereinafter collectively referred to as "Securities").

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under DIXON ESOP 2020 shall rank pari - passu inter-se in all respects with the then existing Equity Shares of the Company for all purposes.

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

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

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

Sd/-

Ashish Kumar
Group CS, Head-Legal & HR
M.No- F8355
Address-B-14 & 15,
Phase-II, Noida-201305

Dated: 22nd August, 2020
Place: Noida

NOTES:-

1. In view of the outbreak of the COVID-19 pandemic, social distancing is the norm to be followed and therefore pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("**MCA Circulars**") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("**SEBI Circular**") and in compliance with the provisions of the Companies Act, 2013 ("**the Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the 27th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.

   The detailed procedure for participating in the meeting through VC/OAVM facility is provided hereunder and the same is also available at the Company's website at www.dixoninfo.com

2. In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

3. Company has appointed KFin Technologies Private Limited, Registrar and Transfer Agents, to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of 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 27th AGM. However, in pursuance of Section 113 of the Act, representatives of the Corporate Members/ Institutional investors may be appointed for the purpose of voting through remote e-Voting, for participation in the 27th AGM through VC/OAVM Facility and e-Voting during the 27th AGM.

5. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited to 1000 members. 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 27th 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.

6. Corporate Members are required to send a certified copy of the Board resolution at scrutinizer.sba@gmail.com authorizing their representative to attend the AGM through VC/OAVM and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC/OAVM.

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

8. Since the AGM will be held through VC/OAVM Facility, the Route Map, proxy form and attendance slip are not annexed to this Notice.

9. In line with the MCA Circulars and SEBI Circular, the Notice of the 27th AGM will be available on the website of the Company at www.dixoninfo.com, on the website of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India at www.nseindia.com and also on the website of the Registrar and Share Transfer Agent of the Company at https://evoting.karvy.com/.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, Registers of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Companies, 2013, Certificate from Statutory Auditors of the Company with respect to Dixon Technologies (India) Limited - Employees Stock Option Plan, 2018 shall be available for inspection and the same can be accessed by sending a request to the Company at investorrelations@dixoninfo.com

11. **THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM 23rd SEPTEMBER, 2020 TILL 29TH SEPTEMBER, 2020 (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF ANNUAL GENERAL MEETING.**

12. The Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

13. Attendance of the Members participating in the 27th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. A Member's log-in to the VC/OAVM platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

14. As per the guidelines issued by SEBI and other guidelines to the extent applicable, 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 Friday, the 28th August, 2020 (Record Date). The Notice of the meeting is also posted on the website of the company i.e. www.dixoninfo.com. Any person who acquires shares of the Company and becomes Member of the Company after Friday, 28th August, 2020. being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. Tuesday, 22nd September, 2020, 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.

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

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

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

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

    ii. Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, are requested to visit the website of Kfin Technologies Private Limited https://ris.kfintech.com/email_registration/ for temporary registration of email id of shareholders for 27th e-AGM and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions.

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

16. **Procedure and Instructions for remote E- Voting:**

    In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and the provisions of Regulation 44 of the Listing Regulations, the Members holding shares as on **22nd September, 2020** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Private Limited ("**Remote e-voting**") or to vote at the AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting facility will be available during the following period:

    a. Commencement of remote e-voting - 26th September, 2020 at 09.00 a.m

    b. End of remote e-voting - 28th September, 2020 at 05.00 p.m

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

    A. In case a Member receives an email form KFin Technologies Private Limited (for Members whose email IDs registered with the Company/ depository Participants), please follow the below instructions:

       i. Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

       ii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

       iii. After entering the details appropriately, click on LOGIN.

       iv. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and 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 EVENT i.e. Dixon Technologies (India) Limited.

vii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option '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 account.

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. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at scrutinizer.sba@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "DTIL_EVENT No."

B. In case of Members who have not registered their email addresses (including Members holding shares in Physical form), please follow the steps for registration of e-mail address and obtaining User ID and Password for e-voting as mentioned in point no. 15 of Notes.

17. Instructions for members for Voting during the AGM session:

i. The e-voting window shall be activated upon instructions of the Chairman during the AGM.

ii. E-voting during the AGM is integrated with the VC/OAVM facility and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.

iii. Members / shareholders, attending the AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the AGM.

18. Instructions for Members for participating in the 27th AGM through VC/OAVM facility are as under:

i. **Attending the AGM**: Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFin Technologies Private Limited. Members may access the same at https://emeetings.kfintech.com by clicking 'Video Conference' and login by using the remote e-voting credentials. The link for AGM will be available in 'shareholders'/members' login where the EVENT and the Name of the Company can be selected.

ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting.

iii. Members are encouraged to join the Meeting through Laptop/Computer through Google Chrome preferred browser, Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.

iv. Further Members are requested to use Internet with good speed to avoid any disturbance during the meeting.

v. Please note that participants using Mobile Devices or Tablets or Laptops/Computer and accessing the internet 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.

vi. Submission of Questions / queries:

Speaker Registration: Members may register themselves as speakers for the AGM to post their queries: -

a. Members may visit https://emeetings.kfintech.com and enter their e-voting login credentials to enter the website.

b. On landing page, you can select "Speaker Registration" tab and upload the video of the question you wish to ask.

c. Members can either pre-record the question and upload or record the question in the module itself.

d. The above mentioned facility shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for Annual General Meeting. 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.

Post Your Queries: Members who may wish to express their views or ask questions at the AGM, may visit https://emeetings.kfintech.com and click on the Tab "Post Your Queries" to post their queries in the window provided. The window shall remain active during the continuance of the AGM. However, the Company reserves a right to take such questions depending on the availability of time for the AGM.

19. Other Instructions

i. 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.karvy.com (Kfin Website) or contact at (Unit: Dixon Technologies (India) Limited) of KFin Technologies Private Limited , Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or phone no. 040 – 6716 2222 or call Kfin's toll free No. 1-800-34-54-001 for any further clarifications.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 22nd September, 2020.

iii. 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 i.e., Tuesday, 22nd September, 2020, 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

   Example for NSDL - MYEPWD <SPACE>

   IN12345612345678

   Example for CDSL - MYEPWD <SPACE>

   1402345612345678

   Example for Physical - 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.karvy.com the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Member may call KFintech toll free number 1800-3454-001 for any assistance.

   iv. Member may send an e-mail request to einward.ris@kfintech.com. However, KFintech shall endeavour to send User ID and Password to those new Members whose e-mail ids are available.

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

21. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

22. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.dixoninfo.com and on the website of KFin Technologies Private Limited i.e. https://evoting.karvy.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.

23. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 27th AGM, forms integral part of the Notice of the 27th AGM. Requisite declarations have been received from the Director for seeking appointment/ re-appointment.

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

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

Sd/-
Ashish Kumar
Group CS, Head-Legal & HR
M.No- F8355
Address-B-14 & 15,
Phase-II, Noida-201305

Dated: 22nd August, 2020
Place: Noida

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

The following statement sets out all material facts relating to certain ordinary business and the special businesses mentioned in the accompanying Notice:

Item No. 2

Mr. Atul B. Lall

Mr. Atul B. Lall (DIN: 00781436) is the Managing Director of the Company. He was inducted on 30th June, 2000 as a member of the Board. At the Extra-Ordinary General Meeting held on 5th May, 2017, he was appointed as a Managing Director of the Company for a term of 5 years. He is responsible for the Company's overall business operations.

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

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

Save and except the above, none of the other Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolution mentioned at Item No. 2 of the Notice.

Item No. 3

The Board of Directors of the Company at their meeting held on 11th June, 2020, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. A.N. Satija & Co., Cost Accountants (Firm Registration No. 100267), to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

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

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

Item No. 4

The Company filed its prospectus dated 11th September, 2017 ("Prospectus") with the Registrar of Companies, Kanpur, in connection with its initial public offering ("Offer") of 3,393,425 equity shares of ₹ 10 each ("Equity Shares") and the Equity Shares are presently listed on the BSE Limited and the National Stock Exchange of India Limited (together, the "Stock Exchanges").

Pursuant to the Prospectus, the Offer comprised a fresh issue of up to ₹ 6000 Lakhs ("Issue/Total Proceeds") and an offer for sale of up to 3,053,675 Equity Shares by certain existing shareholders of the Company. The Company had, in terms of the Prospectus, proposed to utilise the "Net Proceeds" amounting to ₹ 5712 Lakhs (net proceeds is calculated after deduction of Offer related expenses amounting to ₹ 288 Lakhs) towards:

(i) Re-payment/pre-payment, in full or in part, of certain borrowings availed by the Company;

(ii) Setting up of a unit for manufacturing of LED TV's at the Tirupati (A.P.)

(iii) Finance the enhancement of our backward integration capabilities in the lighting products vertical at the Dehradun facility;

(iv) Upgradation of the information technology infrastructure of the Company

(v) General corporate purposes

(Collectively the "Objects").

As set forth in the Prospectus, out of the Net proceeds amounting to ₹ 5712 Lakhs as afore-stated, the Company had utilized the Net proceeds upto an aggregate amount of ₹ 5500.37 Lakhs. However, an amount of ₹ 211.63 Lakhs ("Unutilized amount") is still pending for utilization towards Net proceeds. Details of the unutilized amount are as follows:

(₹ in Lakhs)

Sl. No	Details of Sub-Objects amount of which are pending for utilisation	Total Amount raised in the Prospectus	Total Utilisation as on 31st March, 2020 for the objects stated in prospectus	Amount pending utilization as on 31st March, 2020
1	Enhancement of Company's backward integration capabilities in the lighting products vertical at the Dehradun facility *(hereinafter termed as "Sub-object-1)*	886.00	796.00	90.00
2	Upgradation of the information technology infrastructure of the Company *(hereinafter termed as "Sub-object-2)*	1063.00	941.37	121.63
	Total	**1949.00**	**1737.37**	**211.63**

The Company does not intend to spend the unutilized amount of ₹211.63 lakhs towards the said Sub object-1 and Sub object- 2, as mentioned in aforesaid table; and therefore, the Company intends to vary the terms of Objects of the Issue as referred to in the Prospectus and spend the unutilized amount of ₹ 211.63 Lakhs towards General Corporate Purposes.

The relevant and material information as per Rule 32 of the Companies (Incorporation) Rules, 2014 and Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is set out below:

A. Original Purpose of the issue, total money raised and money utilized for the objects of the Company as stated in Prospectus

The details of Original Purpose of the issue, amount raised by the Company and the details of utilization of the Net proceeds as on 31st March, 2020 are as follows:

(₹ in Lakhs)

Sl. No	Object/ Purpose of the Issue	Total Amount raised	Total Utilisation as on 31st March, 2020 for the objects stated in prospectus	Amount pending utilization as on 31st March, 2020
1	Re-payment/pre-payment, in full or in part, of certain borrowings availed by the Company	2200.00	2200.00	-
2	Setting up of a unit for manufacturing of LED TV's at the Tirupati (A.P.)	758.00	758.00	-
3	Finance the enhancement of our backward integration capabilities in the lighting products vertical at the Dehradun facility	886.00	796.00	90.00
4	Upgradation of the information technology infrastructure of the Company	1063.00	941.37	121.63
5	General Corporate Purposes	805.00	805.00	-
	Sub-Total	5712.00	5500.37	211.63
	IPO Expenses	288.00	288.00	-
	Total	**6000.00**	**5788.37**	**211.63**

B. The extent of achievement of such objects in percentage terms:

Out of ₹ 6000 Lakhs (including ₹ 288 lakhs set aside for IPO expenses), the Company has utilized an amount of ₹ 5788.37 Lakhs (including ₹ 288 lakhs set aside for IPO expenses) towards the Objects of the Issue as set forth in the Prospectus.

This constitutes 96.47% of the Total Proceeds.

C. The unutilized amount out of the money raised through the Prospectus:

The Company had set aside an amount of ₹ 886 Lakhs towards Sub object-1 and an amount of ₹ 1063 Lakhs towards Sub object-2 aggregating to ₹ 1949 Lakhs. However, out of the said amount of ₹ 1949 Lakhs, the Company was able to spend an aggregate amount of ₹ 1737.37 Lakhs towards the said Sub objects-1 and Sub object-2.

Therefore, an aggregate amount of ₹ 211.63 Lakhs (constituting 3.53% of the total proceeds) remains pending for utilisation.

D. Particulars of the proposed variation in the objects for which prospectus was issued, time limit, schedule of implementation and interim use:

The Company proposes to utilize the Unutilized amount of ₹ 211.63 Lakhs towards general corporate purposes as per Deployment Schedule tabled hereunder:

(₹ in Lakhs)

Activity	Estimated Schedule of Deployment [Financial Year 2020-2022]	Total
General Corporate Purposes	211.63	211.63
Total	**211.63**	**211.63**

Notes :

a. The expenses under "General Corporate Purposes" include but are not limited to expenses towards strategic initiatives, joint ventures, funding growth opportunities, meeting expenses incurred in the ordinary course of business, meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors or a duly appointed committee from time to time.

b. The Company confirms that it shall not use the proceeds for any investment in the equity markets or for any other purpose which is prohibited under law.

E. Reason and justification for seeking variation:

As mentioned aforesaid, the Company had set aside an aggregate amount of ₹ 1949 Lakhs towards fulfilment of sub-object-1 and sub-object-2. Also, the Company was able to spend an aggregate amount of ₹ 1737.37 Lakhs towards the said Sub objects-1 and Sub object-2 which is deemed sufficient for optimum fulfilment of the said sub-objects. Therefore, the Company intends to utilise the unutilized amount of ₹ 211.63 Lakhs (constituting 3.53% of total proceeds) towards general corporate purpose as per Deployment Schedule.

Also, the unutilized amount, if spent towards the General corporate purpose will be in compliance with the limits specified in the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018.

F. Risk Factor relating to New objects of the Offer and the estimated financial impact of the proposed alteration on the earnings and cash flow of the Company.:

The Unutilized Amount of ₹ 211.63 Lakhs are proposed to be used for general corporate purposes, based on management's estimates and have not been appraised by any third party. Such estimates are based on current conditions and are subject to variation in the event of changes in external circumstances, costs, other financial condition or business strategies. Further, the Company may be required to revise its estimated expenditure, fund allocation and deployment schedule, owing to factors such as general or local economic and business conditions, escalation in costs, increased competition, changes in regulations or delays in obtaining regulatory approvals.

Accordingly, in terms of the provisions of Sections 13 and 27 of the Act and any other applicable provisions and recommendation by the Board, the Company seeks approval of the members by way of Special Resolution for variation in the terms of the Objects of the Issue as disclosed in the Prospectus for which the prospectus was issued.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their shareholding in the Company, if any.

The Board of Directors of your Company recommends that the Resolutions under Item no. 4 be passed in the interest of your Company.

Item No. 5

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

In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including equity shares, fully / partly convertible debentures, non-convertible debentures, foreign currency convertible bonds, warrants (collectively, the "Securities"), or any combination of Securities, for an aggregate consideration of up to ₹ 2,00,00,00,000 only (Rupees Two hundred crores only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non—resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations, and the qualified institutional buyers, the "QIBs") / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, without or without a green shoe option, through a public issue, preferential allotment, or a private placement (including one or more qualified institutions placements ("QIP") in accordance with the applicable provisions of the Companies Act (as defined hereinafter) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("Companies Act") and in accordance with the provisions of the memorandum of association and articles of association of the Company, the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of face value of ₹ 10 of the Company are listed ("Stock Exchanges", and such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the board of directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this resolution), at its meeting held on 22nd August, 2020, subject to the approval of the members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary).

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

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

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

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

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

The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the special resolution, as set out in item no. 5 of this notice, without the need for any fresh approval from the members of the Company in this regard.

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

The Board of Directors of your Company recommends that the resolution under item no. 5 be passed in the interest of your Company .

Item No. 6 and 7

Stock Options create a sense of ownership and participation amongst the employees of the Company by aligning the interest of the employees with that of the organization and helps achieving in sustained growth of the Company by creation of shareholder value. Also, it is an effective instrument to attract, retain and reward appropriate human talent in the Company.

The Board of Directors, considering the above mentioned objectives, at their meeting held on 22nd August, 2020 formulated **Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020** ("DIXON ESOP 2020") for the present and/or future permanent employees of the Company and its present and future subsidiary Company(ies) (hereinafter referred to as 'employees' or 'said employees') in accordance with the applicable laws..

The scheme will be implemented through direct route and the Board at its meeting has designated the Nomination and Remuneration Committee as Compensation Committee ("committee") for the purpose of administration and implementation of DIXON ESOP 2020.

In terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62 and other applicable provisions of the Companies Act, 2013, issue of Shares to the employees of the Company requires an approval of the existing members by way of a Special Resolution and accordingly, the Special Resolution at Item No. 6 & 7 seeks your approval for the issue of further Equity Shares under the DIXON ESOP 2020, to the employees of the Company, as may be determined by the Compensation Committee.

As per Regulation 6 (3)(c) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 approval of the shareholders by way of separate Special Resolution is also required for grant of options to the identified employees of Subsidiary Company. Accordingly, Special Resolutions set out at Item No. 6 and 7 are seeking your approval for the said purposes respectively.

The Salient features of the **DIXON ESOP 2020** as per Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are as follows:

1. **Brief description of the Scheme**

   The Scheme shall be called as the "Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020" or "Dixon ESOP 2020" and shall extend its benefits to the present and/or future permanent employees of the Company and its present and future subsidiary (ies), in accordance with the applicable laws.

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

2. **Total Number of Options to be granted**

   The maximum number of Options to be granted under DIXON ESOP 2020 shall not exceed 300,000 options convertible into equal number of Equity Shares of the Company of face value ₹ 10/- each.

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

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

   ii. a director of the company, whether a whole time director or not but excluding an independent director; or

   iii. an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, but does not include—

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

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

4. Requirement of Vesting and period of Vesting

The options granted shall vest based upon the performance of the Employee, as may be determined by the Nomination and Remuneration Committee from time to time but shall not be less than 1 (one) year from the date of grant of options and more than 5 (five) years from the date of grant of Options. Vesting may happen in one or more tranches.

The specific Vesting schedule and Vesting conditions subject to which Vesting would take place would be outlined in the document given to the Option Grantee at the time of Grant of Options.

5. Maximum period within which the options shall be vested

The options granted under Scheme shall vest as may be decided by the Committee subject to maximum period of 5 (five) years. Vesting of Options would be subject to continued employment with the Company, or as the case may be, on the date of vesting.

6. Exercise Price or pricing formula

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

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

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

7. Exercise Period and process of exercise

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

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

8. Appraisal process for determining the eligibility of the employees

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

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

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

The maximum number of options to be granted under DIXON ESOP 2020 shall not exceed 300,000 Options.

10. Maximum quantum of benefits to be provided per employee

The maximum quantum of benefit that will be provided to every eligible Employee under DIXON ESOP 2020 will be the difference between the Market value of Company's Share on the Stock Exchange as on the date of exercise of options and the Exercise Price paid by the employee to the Company

11. Implementation and administration of the scheme

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

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

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

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

Not Applicable

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

Not Applicable

15. Disclosure and accounting policies

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or as may be prescribed by regulatory authorities from time to time and shall also comply with the applicable accounting standards.

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

Fair Value Method

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

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

In terms of Section 62 of the Companies Act, 2013 and Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolution for the approval of the "Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020 ("DIXON ESOP 2020")" and issuance of shares under this Scheme.

Therefore, your Directors recommend the Resolutions as set out at item no. 6 & 7 for your approval.

Draft of Dixon Technologies (India) Limited —Employee Stock Option Plan, 2020 can be accessed by sending a request at investorrelations@dixoninfo.com till the date of Annual General Meeting.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them and to the extent of the stock options that may be granted to them under DIXON ESOP 2020 in the Company or the options to be granted under the Scheme.

The Board recommends passing of the resolution(s) as set out under Item No. 6 and 7 for approval of the members as special resolution(s).

Inspection of documents

The documents referred hereinabove in the Notice Shall be available for inspection and can be accessed by sending a request at investorrelations@dixoninfo.com till the date of Annual General Meeting.

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

Sd/-
Ashish Kumar
Group CS, Head-Legal & HR
M.No- F8355
Address-B-14 & 15,
Phase-II, Noida-201305

Dated: 22nd August, 2020
Place: Noida

Annexure-A

Particulars	Mr. Atul B Lall
Date of Birth and Age	5th January, 1962
Nationality	Age: 58 years
Qualifications	Indian
Experience & Expertise	Master's degree in management studies from the Birla Institute of Technology and Science, Pilani
Terms and conditions of appointment or re-appointment	He has served as a member of the Technical Evaluation Committee for Electronic Manufacturing Services under M-SIPS (Electronic Manufacturing Services-EMS) constituted by the DeitY and served as a representative of ELCINA on the Committee for Reliability of Electronic and Electrical Components and Equipment (LITD. 02) of the BIS. He has also authored the book, 'Gita and India Inc.' He has more than 28 years of experience in the EMS industry
Terms and conditions of appointment or re-appointment	As per the Resolution passed by the shareholders at the Extra Ordinary General meeting held on 5th May, 2017, Mr. Atul B. Lall was appointed as Managing Director for a period of 5 years, liable to retire by rotation.
Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Remuneration sought to be paid: As per the existing terms and conditions. Remuneration paid during financial year 2019-20 was: ₹ 462.29 Lakhs Further, the details of the remuneration are provided in the Director's Report section of the Annual Report 2019-2020
Date of first appointment on the Board	30th June, 2000
Shareholding in the company	4,66,667 equity shares (4.03%) as on 22nd August , 2020
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel of the Company
Number of Meetings of the Board attended during the year`	The details of the meetings attended during the year is provided in the Corporate Governance Report section of the Annual report 2019-20
Other Directorships	Unlisted Companies: • Padget Electronics Private Limited • Dixon Electro Appliances Private Limited Listed Companies: NIL
Membership/ Chairmanship of Committees of other Boards as on 31st March, 2020	NIL

SHIRIN BHATT & ASSOCIATES
COMPANY SECRETARIES

303, 3rd Floor Balaji Chamber, D-246/10, Laxmi Nagar, Delhi-110092 Ph.-8010501209, 8447888828, 011-43047544, shirinbhatt@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DIXON GLOBAL PRIVATE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIXON GLOBAL PRIVATE LIMITED** [Deemed public Company by virtue of proviso to Section 2(71) of the Companies Act, 2013] (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended **March 31st, 2020**, 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, 2020** to ascertain the compliances of various provisions of:

a) The Companies Act, 2013 (the "**Act**") and the Rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) *Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") *to the extent applicable as a wholly owned subsidiary of Dixon Technologies (India) Limited, a Public Company listed on National Stock Exchange of India Limited and BSE Limited*:

   i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   iii) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;

SHIRIN BHATT
C.P. No. 9150
Company Secretary

v) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

vi) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

vii) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

viii) *The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

*Not applicable as there was no reportable event during the audit period.

f) As confirmed by the management there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

I. Mandatory Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *to the extent applicable as a wholly owned subsidiary of Dixon Technologies (India) Limited, a Public Company listed on National Stock Exchange of India Limited and BSE Limited.*

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Directors. There were no changes in the composition of the Board of Directors during the period under review.

b) Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except for meetings of the Board which were convened at shorter notice in compliance with Section 173 of the Act wherein Independent Director(s) were present and detailed notes on agenda were provided at such meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through in each such meetings of the Board and committees of the Board. Further during the course of audit, we have not come across the views of dissenting members' recorded as part of the minutes.

d) We further report that based on the information received and records maintained that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations, regulations and guidelines.

SHIRIN BHATT * C.P. No. 9150 Company Secretary

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 * C.P. No. 9150 * Company Secretary

Shirin Bhatt
Proprietor
C.P. No. 9150
M. No. F8273

Place: Lucknow
Date: July 14th, 2020
UDIN: F008273B000453520

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.

SHIRIN BHATT & ASSOCIATES

COMPANY SECRETARIES

303, 3rd Floor Balaji Chamber, D-246/10, Laxmi Nagar, Delhi-110092 Ph.-8010501209, 8447888828, 011-43047544, shirinbhatt@gmail.com

Annexure-A

To,
The Members
DIXON GLOBAL PRIVATE LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial statements of the Company.
4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For **Shirin Bhatt & Associates**
Company Secretaries
Firm Registration No. S2011DE162600

SHIRIN BHATT C.P. No. 9150 Company Secretary

Shirin Bhatt
Proprietor
C.P. No. 9150
M.No. F8273

Place: Lucknow
Date: July 14th, 2020